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**COLLECTIVE BARGAINING**  
**AGREEMENT**

DEPT. OF LABOR

AUG 15 2003

INDUSTRIAL AFFAIRS  
OFFICE OF LABOR  
LAW ENFORCEMENT

*\*  
Oct 2003*

**BETWEEN**

**THE PEPSI BOTTLING GROUP**

**WILMINGTON, DE/WEST CHESTER, PA**

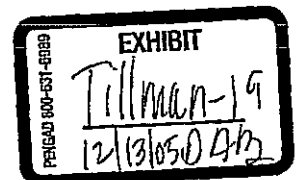
**AND**

**TEAMSTERS LOCAL UNION NO. 830**

***Affiliated with the International Brotherhood of Teamsters,  
Chauffeurs, Warehousemen and Helpers of America***

**COVERING THE PERIOD OF:**

**JANUARY 1, 2000 TO AND  
INCLUDING DECEMBER 31, 2004**



**TABLE OF CONTENTS**

<b><u>ARTICLE</u></b>		<b><u>PAGE</u></b>
I	DECLARATION OF PURPOSE	4
II	UNION RECOGNITION: SCOPE OF AGREEMENT	4
III	UNION SHOP: HIRING OF NEW EMPLOYEES	4
IV	HOURS OF WORK	5
V	HOLIDAYS	7
VI	VACATIONS	8
VII	LUNCH RELIEF PERIODS	10
VIII	WAGES/NET REVENUE SALES COMPENSATION	10
IX	FLEXIBLE BENEFITS PLAN	14
X	MANAGEMENT'S RIGHTS	14
XI	DISCHARGES	14
XII	INJURIES AND ILLNESS	16
XIII	POLYGRAPH TEST	16
XIV	UNIFORMS AND EQUIPMENT	16
XV	LAYOFF	17
XVI	RECALL	18
XVII	JOB VACANCIES	18
XVIII	DISCRIMINATION AND UNION ACTIVITY	20
XIX	CHECK-OFF OF UNION DUES	20
XX	SEVERANCE	21
XXI	GRIEVANCE - ARBITRATION	21
XXII	STRIKES & LOCKOUTS	22
XXIII	PICKET LINES	22
XXIV	FUNERAL LEAVE	22
XXV	JURY DUTY	22
XXVI	MILITARY LEAVE	22
XXVII	STEWARDS	23
XXVIII	LEAVE OF ABSENCE	24
XXIX	TRAINING PROCEDURE	24
XXX	DRUG/ALCOHOL POLICY	25
XXXI	SEASONAL EMPLOYEES	26
XXXII	MERCHANDISING	26
XXXIII	RESETS	27
XXXIV	TERMINATION	27

**APPENDICES:**

A	WAGE SCHEDULE	28
B	MEMORANDUM OF AGREEMENT REGARDING TOOL ALLOWANCE	30
C	PEPSI-COLA PENSION PLAN	31
D	INTENT OF CLASSIFICATION COMBINATION	33

**LETTERS OF UNDERSTANDING**

1.	SENIORITY FOR SELECTING VACATIONS	34
2.	SELECTING VACATIONS	35
3.	CR INVOLVEMENT IN PRICING, FEEDBACK NET REVENUE	36
4.	HANDLING OF PAYROLL MISTAKES	37
5.	FLEXIBLE BENEFITS	38

**ARTICLE I**  
**DECLARATION OF PURPOSE**

The purpose of this Agreement is to insure industrial peace. The parties hereto recognize that without mutual understanding, harmony and cooperation among employees, between employees and Employer, and between Union and Employer, and without uninterrupted operation, it is impossible to conduct Employer's business with the economy and efficiency indispensable to its existence and to the best interest of its employees.

**ARTICLE II**  
**UNION RECOGNITION: SCOPE OF AGREEMENT**

A. The Employer recognizes the Union as the sole collective bargaining agency for all employees, at its existing plants located on 3501 Governor Printz Boulevard, Wilmington, Delaware and on 920 South Bolmar Street, West Chester, Pennsylvania, in the classifications covered in Schedule A attached hereto.

B. This Agreement shall not be construed to extend to nor affect in any way executive or supervisory help or any other classification of employee not expressly covered in Schedule A. The terms "employee" or "employees" as used in this Agreement shall be construed to include only the classifications of employees covered in Schedule A and shall not be construed to include any employees expressly excepted under this Article.

**ARTICLE III**  
**UNION SHOP: HIRING OF NEW EMPLOYEES**

A. Except as herein expressly otherwise provided; Employer agrees, as to all classifications of employees specifically covered by this Agreement, to employ none but members in good standing of Union. Union agrees to admit to membership all present employees of Employer specifically covered by this Agreement.

B. Employer shall have the right to secure new employees from any source. However, Employer will call Union to give it first opportunity to provide such employees. Employer reserves the right to reject any person referred by Union. New employees shall become members of the Union after thirty (30) calendar days of employment or the effective date of this Agreement, whichever is later. If employment is continued after such thirty (30) day period, Union agrees to accept such employees as members.

C. Anything in the foregoing to the contrary notwithstanding, the first ninety (90) working days shall be considered a trial period, and during such trial period, Employer shall have the unqualified right to dismiss such new employees, the exercise of such right not being subject to arbitration.

D. Any employee who is expelled or suspended from the Union because of nonpayment of dues shall be subject to dismissal seven (7) days after notification in writing to the Employer by the Business Agent, the President, or the Secretary-Treasurer of the Union; provided, however, where such suspension or expulsion is for nonpayment of dues and payment of such arrearages is made within such seven (7) day period, Employer shall not be required to dismiss such employee. When an employee has been dismissed by the Employer due to his/her suspension or expulsion by the Union, the Employer shall not be required to re-employ or reinstate such employee at any time.

E. Where any discharge required by this Article III would result in working a hardship upon the Employer, the Employer shall be permitted a reasonable length of time to secure a new employee before making such discharge.

F. Supervisors or management will not normally perform bargaining unit work (i.e. - Union-defined jobs) except for work being performed currently, training of employees, and emergency situations.

#### **ARTICLE IV** **HOURS OF WORK**

A. The regular workweek for all employees shall consist of five (5) days on an eight (8) hour basis or four (4) days on a ten (10) hour basis, Monday through Friday. The regular workday for hourly-rated employees shall consist of eight (8) hours on a five (5) day basis or ten (10) hours on a four (4) day basis.

The regular workweek for Bulk, Warehouse, and Vending Service employees shall consist of five (5) days on an eight (8) hour basis or four (4) days on a ten (10) hour basis Monday through Sunday with the following restrictions: 1. No more than two (2) Bulk Drivers and Warehouse employees with a Sunday work schedule by the end of 1991. No more than four (4) Bulk Drivers and Warehouse employees with a Sunday work schedule by the end of 1992. 2. No more than two (2) Service Department employees with a Sunday work schedule by the end of 1991. No more than four (4) Service Department employees with a Sunday work schedule by the end of 1992.

Any employee assigned a Saturday or Sunday workweek will receive a flex schedule premium pay of thirty cents (\$.30) for all hours worked.

B. Any hourly rated employee who reports to work at his/her scheduled reporting time shall be guaranteed with (8) hours of work or pay unless such employee has been notified by the company not to report to work at least two (2) hours prior to his/her scheduled start time.

C. Any driver(s) paid a commission who reports to work at his/her scheduled reporting time and is not permitted to take out his/her route for any reason shall be guaranteed one days vacation pay unless such employee has been notified not to report to work at least two (2) hours prior to his/her scheduled start time.

D. For purposes of notification as required in Paragraphs B, C, and H of this Article, an employee shall be required to provide a telephone number at which he/she can be contacted for such notification. One (1) attempt to reach an employee at such number will be considered proper notification. Employer will not be held responsible for a message not communicated to the employee by third parties who answer the telephone at the number given by the employee. If the employee fails to provide a telephone number, the Employer shall have no responsibility for notification as required under this Article.

E. Hourly-rated employees may be required by the Employer to work on the fifth (5th), sixth (6th) or seventh (7th) days and to work longer than their scheduled shifts in any day. No employee will be required to work longer than 12 hours in any one day.

F. Overtime pay for any hourly-rated employee shall be time and one-half (1 1/2) times his/her regular straight time hourly-rate for work done over their regularly scheduled shift in any work day or over forty (40) hours in any workweek. Overtime pay for any hourly-rated employee who works on the seventh (7th) day in a workweek shall be double (2) his/her regular straight time hourly rate for all hours worked on that day.

G. Bulk Drivers shall be guaranteed 8 hours of work or pay on any day for which they are scheduled and report to work and did not receive notification not to report to work. Any Bulk Driver completing his/her scheduled deliveries prior to the end of their shift may be assigned to other duties within the Bulk Department, performing Conventional Relays or within the Transport Department so long as there are no Transport Drivers available to work due to DOT restrictions, and there are no Transport Drivers on Lay Off status.

H. Employees other than hourly-rated employees may be required by the Employer to work on the fifth (5th), sixth (6th) or seventh (7th) days.

I. An employee who is called in to perform work prior to but continuing up to his/her regular scheduled shift shall not have his/her regular scheduled shift suspended to avoid the payment of overtime.

J. Absent emergency situations, the Employer shall give employees twenty-four (24) hours notice of required overtime work scheduled for the fifth (5th), sixth (6th), or seventh (7th) day in accordance with Paragraph (D) above. The Employer will post an "I agree to work overtime" list on a weekly/daily basis, prior to each shift for the purpose of employees making themselves available for available overtime. The purpose of this list is to determine who is interested in volunteering for available overtime. On a "bottom up" basis, senior qualified employees will be required to work if requested. In the event an insufficient number of employees sign the "overtime" list, the Employer may assign such overtime on a bottom-up basis in accordance with the needs of the Employer. This list applies only to Production/Warehouse employees. The Company will assign all overtime work based on seniority and qualifications. When assigning overtime work for machine operator positions (depal, filler, packer, palletizer), the job assignments will be based on seniority and the employee's regularly bidded position.

K. There shall be no pyramiding of overtime pay. For example, overtime paid on a daily basis shall not be duplicated on a weekly basis nor shall overtime for the fifth (5th), sixth (6th) or seventh (7th) day and holiday work be duplicated on the basis of daily or weekly overtime hours. If the overtime pay requirements are met under more than one section of this Agreement, only that section yielding the higher payment will apply.

L. Unscheduled overtime work at the end of a given shift may be required of the employee performing the required work on that shift and need not be offered to qualified employees on the basis of seniority.

**ARTICLE V**  
**HOLIDAYS**

A. The following named holidays are observed under this Agreement:

<b>New Year's Day</b>	<b>Martin Luther King Day</b>
<b>President's Day</b>	<b>Easter Monday</b>
<b>Memorial Day</b>	<b>Independence Day</b>
<b>Labor Day</b>	<b>Columbus Day</b>
<b>Thanksgiving Day</b>	<b>Christmas Day</b>

When any of these holidays fall on a Sunday and the next day is observed as the holiday, same shall be considered the holiday. Only employees who work both the scheduled full work day before and the scheduled full work day after any of these holidays shall be entitled to the benefits of this.

B. Each employee who has been employed a minimum of ninety (90) calendar days prior the holiday and who does not work on a named holiday shall nevertheless be compensated as follows:

1. Any hourly-rated employee shall receive eight (8) hours of straight time pay at his/her regular hourly rate. Any hourly-rated employee who works four (4) days at ten (10) hours shall receive straight time pay at his/her regular hourly rate.
2. All hourly employees on a four (4) ten (10) hour day work week shall receive ten (10) hours straight time pay at his/her regular hourly rate if a holiday falls on his/her scheduled work day. If the holiday falls outside the employees' normal workweek, he/she shall be entitled to eight (8) hours regular pay at his/her hourly rate.
3. Route Salesmen and Extra Drivers whose regular rate of pay includes a commission shall receive holiday pay equivalent to that of the daily vacation rate.



C. Each employee who works on a named holiday or in lieu thereof, on the day the named holiday is observed as set forth in A above shall be compensated as follows; provided, however, no employee shall receive holiday pay for working on both the named holiday and the day on which said holiday is observed:

1. Hourly-rated employees shall receive double (2) time for all hours worked on said holiday in addition to their straight time holiday pay.
2. If the holiday falls on a Saturday, all employees will receive holiday pay as calculated above in lieu of receiving the time off.

D. When any of the holidays set forth in Paragraph A of this Article falls in the vacation week of an employee, such employee shall receive his/her holiday pay as provided in Paragraph B of this Article.

E. Any employee placed on layoff in the workweek immediately prior to a holiday will be entitled to holiday pay.

F. **Personal/Sick Days** - Each employee will be entitled to a maximum of eight (8) sick/personal days in each calendar year earned as set forth below. When possible, sick/personal days must be mutually agreed to by the employee and Employer, so as not to interfere with the operation of any department.

When an employee has requested a personal holiday at least one (1) week in advance, the Employer agrees to notify the employee at least 48 hours prior to the requested personal day as to the status of the request. Failure of the Employer to respond to a personal holiday request within the 48-hour period shall be deemed an approval of the requested personal holiday. In the event an employee requests a personal day after the one (1) week notification period outlined above, the Employer agrees to notify the employee at least 24 hours prior to the requested personal day as to the status of the request.

Any earned personal/sick days not taken by an employee prior to December 15th of each year shall be paid by Employer no later than the last pay period prior to the Christmas holiday.

#### **ARTICLE VI** **VACATIONS**

A. Subject to Paragraph F of this Article, every employee who has been continuously in the employ of the Employer for one (1) year or more shall be entitled to two (2) weeks' vacation, consisting of consecutive days, with pay, as scheduled by Employer. Every employee who has been continuously in the employ of the Employer for three (3) years or more shall be entitled to three (3) weeks' vacation with pay as scheduled by Employer. Every employee who has been continuously in the employ of the Employer for eight (8) years or more shall be entitled to four (4) weeks' vacation with pay as scheduled by Employer. Every employee who has been continuously in the employ of the Employer for twenty (20) years or more shall be entitled to five (5) weeks' vacation with pay as scheduled by Employer. Subject to this Article, all vacations shall be taken in weekly increments..

B. The vacation pay for a Route Salesman or Extra Driver whose regular rate of pay includes a commission for each week of vacation to which he/she is entitled shall be his/her average weekly earnings for the preceding year. Average weekly earnings shall be determined by dividing the employee's gross earnings as reported on his/her W-2 Form, minus any bonus monies, for the preceding year by the number of weeks he/she worked during that year.

C. The vacation pay of an hourly-rated employee for each week of vacation to which he/she is entitled shall be forty (40) hours of straight time pay at the rate being received by the particular employee at the time he/she is given his/her vacation. This also includes Extra Drivers, if their average earnings do not exceed the utility rate.

D. The length of the vacation to which an employee shall be entitled shall be computed on the basis of the anniversary date of such employee's employment.

E. Vacations scheduled by the Employer shall be scheduled on the basis of Company seniority within a department (departments designated in Article XV). Once the vacation period has been selected and the vacation list posted, no changes will be permitted. Employer shall have the right to determine the number of employees who may take vacations within any period. The Employer will be reasonable in allowing as many employees as possible to take vacations as long as it does not hinder operations.

F. Any employee with more than one (1) year's continuous employment who resigns and gives the one (1) week's notice provided in Article X shall be entitled to vacation pay on a pro-rata basis. Thus, such an employee will be entitled to one-twelfth (1/12th) of his/her normal vacation pay for each full month of employment since his/her last anniversary date.

G. In the event an employee has selected vacation, and with two weeks notice before commencement of that vacation he requests to cancel that vacation, the company will open that week of vacation to bidding by other employees within that department. The company will then allow two additional bids on subsequent vacation weeks that results from the original cancellation of the first employees vacation (three bids in total).

Vacation cancellation requests with less than two weeks notice may be approved at the discretion of the company. If the company approves a cancellation request with less than two weeks notice, the company will make every effort to open that vacant week for bidding by other members of the department. No subsequent bids will be done in this instance.

H. Subject to the Company's approval an employee with three (3) or more weeks of vacation may voluntarily sell back vacation time (in full week increments), but not below one week of eligibility. In the event an employee wishes to voluntarily sell back vacation time, he must notify the company of his intent to do so one month in advance of the commencement of such vacation. The Company will honor requests of less than one month on a case by case basis. A process for notification will be established by the Company to handle such requests. The Company will continue to handle requests of less than one month on a case by case basis.

**ARTICLE VII**  
**LUNCH RELIEF PERIODS**

All employees covered by this Agreement shall be entitled to an unpaid lunch period of one-half (1/2) hour during each regular working day. Manufacturing employees shall receive one (1) break period for each four (4) hours of work in a given shift.

**Budding Eighths**

All employees covered by this Agreement may be entitled to an unpaid lunch period of one-half (1/2) hour during each regular working day. Operations employees may receive one (1) fifteen (15) minute break period for each four (4) hours of work in a given shift.

All Operations employees on an eight (8) hour schedule may receive two (2) twenty minute breaks with no lunch period. Twenty-four (24) hour notice will be given prior to a change from or to a third shift operation. Relief periods will not be started earlier than two (2) hours after the start of a shift. If mutually agreed upon by the Company and the majority of employees, a team within a department can work a combination of two (2) twenty (20) minute breaks or one (1) forty (40) minute break.

**Overtime**

2 Hour Shifts: The employee will receive an additional ten (10) minute break period.

4 Hour Shifts: The employee will receive an additional twenty (20) minute break period.

**ARTICLE VIII**  
**WAGES/NET REVENUE SALES COMPENSATION**

The wage rates of all employees covered by this Agreement shall be set forth in Appendix A - Wage Schedule. The compensation for Customer Representatives shall be in accordance with the provisions the Single Net Revenue Sales Compensation Plan. Effective on or after April 16, 2000, the Company will transition to the Single Net Revenue Compensation Plan.

**Wages of Unclassified Employees; Transfers:**

The Employer reserves the right temporarily to transfer employees from one department to another. The Contract wage scale of the department to which the temporary transfer is made, shall apply to the employee so transferred, provided, however, that in case of such temporary transfer, a man's wage shall not be reduced below that which he/she has ordinarily been receiving, and he/she shall receive the higher rate for the full day regardless of the number of hours worked in the higher-rated job classification. A temporary transfer of more than one (1) month may be renewed for an equal and additional period of time, after which time the vacancy filled by such temporary transfer must be filled in accordance with normal procedure or abolished.

### NET REVENUE SALES COMPENSATION

The Single Net Revenue Compensation Plan shall be governed by the following provisions.

**Section 1. Net Revenue Measure.** The compensation plan shall pay commissions to the Customer Representative that shall be a percent of the net revenue sales dollars generated from the accounts on the Customer Representative's route.

The net revenue to be utilized for purposes of the compensation plan shall be calculated from the net price on invoice for products times the number of units sold. This would apply to all case and package sizes, fountain tanks, BIB, CO2, cups, lids, straws and/or any other similar item sold by the Customer Representative on his/her route. Any items which are not sold by the CR will not be compensated under this plan. Examples of such items not covered are deposits on cases, shells or pallets and taxes.

**Section 2. Definition of a Route.** A route shall be defined as a roster of accounts which may change from time-to-time in accordance with the provisions of this Agreement.

**Section 3. Definition of the Compensation Plan Year.** For purposes of this Article, all references to a year or an annual basis shall be deemed to be a year beginning with Week 1 of Period 1 and ending with the last week of Period 13.

**Section 4. Pay Rates.** The following schedule of rates shall be in effect for the full term of this Agreement:

- ☐ **Conventional Customer Representative**
- ☐ **Single Commission:** 5.51% of net revenue sales

**Section 5. Route Cuts.**

The Company reserves the right to unilaterally cut any account from any route and reassign it to any other route or delivery system covered by this Agreement. The Company may also add any account to any route. In the event that a CR's route is cut more than 10% in revenue (based on prior year's revenue) he shall be eligible for the following route cut protection:

The average weekly earnings from base pay and/or commission for the thirteen (13) weeks following the route cut shall be no less than the average weekly earnings from base pay and/or commission for the thirteen (13) weeks immediately preceding the route cut. Any payments due the CR's shall be made at the end of the thirteen (13) week protection period.

No route cut protection payment shall be made to any employee as a result of route changes from a total facility-reroute / rebid, nor upon the request of the CR to have an account removed from his route, nor if the Company has been instructed by a customer to not have the CR or service its account.

In the event that one or more routes are realigned such that an account is added to a route simultaneously with an account being deleted from that route, the route cut shall be based on the *net effect* of such addition and deletion.

Nothing in this section shall be construed as a limitation on the Company's ability to determine the size and/or frequency of route cuts.

Within the Sales Departments, the Company will limit the number of total facility re-routes to three (3) times during the term of the agreement (three (3) for the Bulk Sales Department and three (3) for the Conventional Sales Department).

**Section 6. Ongoing Route Bidding.** During the course of a year, the following information shall be provided on the bid sheet for a route which has come open and is eligible for bid:

- ☐ The roster of accounts for that route (with prior year volume and net revenue for each account);
- ☐ The total net revenue that has been generated from that roster of accounts year-to-date;
- ☐ The total number of cases and gallons sold in that roster of accounts in the prior year.
- ☐ The total number of cases and gallons sold in that roster of accounts year-to-date.

The minimum revenue to be posted on any route will be \$650,000 in revenue, including the projected revenue from anticipated new store openings on that route.

**Section 7. Establishing a New Permanent Route.** In the event that a new and distinct route is created during the course of a year, that route shall be posted for bid and the following information shall be provided on the bid sheet:

- ☐ The roster of accounts for that route (with year-to-date and prior year volume and net revenue for each account);
- ☐ The total net revenue generated from that roster of accounts year-to-date and in the prior year and the current year; and
- ☐ The total number of cases or gallons sold in that roster of accounts year-to-date and in the prior year.

**Section 8. Establishing a Single-day Route (Customer Representatives Only).** In the event that a number of accounts from different routes required single-day service, the Company shall have the right (but shall not be obligated) to aggregate those accounts onto a single route(s) or routes(s) for the purpose of accommodating the Single Day service need. The route(s) shall be posted for bid and the Customer Representative(s) who secures the bid shall be paid the Single Net Revenue Commission rate for the total net revenue dollars for those accounts for that day. However, no commission shall be paid to the Customer Representative who regularly services that account.

A CR shall always have first preference for servicing his own accounts on each such days.

A CR who is required to work a sixth day in the workweek shall receive \$80 plus the appropriate net revenue percentages for sales on that day. For the seventh day in the work week, the CR who is required to work, shall receive \$106 plus the appropriate net revenue percentage.

**Section 9. Relief Customer Representatives.** When a Utility Driver runs a route for a day, he shall be paid the higher of the Single Commission rate times the total net revenue dollars generated from the accounts on that route that day or eight (8) times the extra man hourly rate per day, whichever is greater. When a Utility Driver runs a route for a week, he shall be paid the higher of the Single Commission rate times the total net revenue dollars generated from the accounts on that route that week or forty (40) times the Utility Driver hourly rate.

However, no commission shall be paid to the Customer Representative who regularly runs that route.

**Section 10. Shortages.** When a Customer Representative is short at the end of a day, he shall be charged at the wholesale price for those cases that he is short.

**Section 11. Product Returns.** If a Customer Representative is required to bring back products that are out-of-date, damaged, etc., he shall not be charged for that product if reasons for the product return were not the fault of the Customer Representative. Customer Representatives shall not receive any commission on product that is provided in exchange for out-of-date, damaged, etc. product.

**Section 12. Bulk Assist.** When the Company provides additional deliveries to a CR's account (i.e., Bulk Assist) the CR shall receive commission on the net revenue generated by such delivery'. The Company reserves the right to establish procedures for the use of bulk assist.

**Section 13. Other Provisions**

In the event that a CR is required to deliver free goods not associated with the sale of any other product he shall be compensated as if the goods were sold at the average net price for such product.

- ☐ The "time and one half" rate for CR's shall be \$80 and the "double time" rate shall be \$106 plus any commissions earned. CR's shall be compensated at the "double time" rate plus holiday pay for working on a holiday.
- ☐ In the event that an account is removed from a CR's route that CR and their Manager will meet to discuss the disadvantage and /or benefits of that accounts removal.



**ARTICLE IX**  
**FLEXIBLE BENEFITS PLAN**

Effective on or after January 1, 1996 all employees will be enrolled in the Pepsi-Cola Flexible Benefit Plan. During the life of this Agreement the Company reserves the right to modify the plan design, level of benefits, employer and/or employee contributions.

"Effective with the implementation of Flex Benefits the age at which an Employee can retire with an undiscounted retirement will be reduced from age 65 to 62 and the discount factor for retiring prior to age 62 will be changed from 3% to 4%.

The Company will guarantee that it will, each year, devote at least 90% of the total year 2000 Flexible Benefits per employee cost to providing Health and Welfare benefits to employees. In the event that the actual cost is below the 90% level, the Company will pay the difference in a lump sum to each member of the bargaining unit. This guarantee shall no longer apply in the event of the enactment of any State or Federal legislation dealing with health care reform.

**ARTICLE X**  
**MANAGEMENT'S RIGHTS**

- ☐ The Employer has the sole and exclusive right to manage the affairs of the business, to determine the products, methods and schedules of production, the type of manufacturing equipment, the locations of production and to direct the working forces of the Employer. Such functions shall include (but are not limited to) the exclusive right to maintain discipline of employees, including the right to make reasonable rules and regulations, to promote, demote or transfer employees for proper cause, to determine the amount of work needed, and to layoff because of lack of work.
- ☐ Promotion shall be made from within, provided the employees available have the qualifications and ability to perform the work. In cases of promotions, seniority shall be considered provided the employee has the prerequisite skills and abilities required. The Employer shall be the sole judge of an employee's qualifications and ability.

**ARTICLE XI**  
**DISCHARGES**

- ☐ Employer may discharge employees for any reasonable cause. If an employee who has completed his/her probationary period is discharged or permanently laid off, due to economic considerations of the Employer, such as reduction-in-force or abandonment of route, Employer shall give such employee at least one (1) week's notice of its intention to dismiss him or permanently lay him off, or one (1) week's compensation in lieu thereof. In the event an employee desires to leave his/her employment for any reason whatsoever, such employee shall give the Employer at least one (1) week's notice of his/her intention to do so.

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- ☐ Any employee who has been discharged by the Employer shall be entitled to a hearing provided that he/she requests the same within forty-eight (48) hours after discharge. At such hearing which shall be held at the Employer's place of business within forty-eight (48) hours after requested, the employee shall have the privilege of being represented by the Business Agent or other duly authorized representative of the Union. If the parties cannot agree upon final disposition of the matter, it may be submitted to arbitration by the Union as provided by Article XIX.
- ☐ Employees are required to make all stops assigned and pick up all empties as necessary. Failure to do so may subject employee to discipline, up to and including discharge.
- ☐ Employer must make the decision whether a route shall go out or not in the case of bad weather. Under no circumstances shall it be left to the discretion of the employees to determine whether work should be performed or not, especially as far as bad weather days are concerned.
- ☐ Any employee who receives disciplinary time off shall receive such time off within one (1) week after the notice of such suspension is given to such employee, except in the case of the suspension of two (2) or more employees in the same department, in which event the disciplinary suspension may be staggered.
- ☐ In imposing discipline on a current charge, the Employer will not take into account any prior infraction which occurred more than twelve (12) months previously unless mutually agreed to by the parties.
- ☐ In the event a Driver shall suffer revocation of his/her driver's license due to his/her negligence, his/her job and seniority shall be protected for one (1) year. A second revocation of his/her license within a five (5) year period will result in his/her termination. The employee must notify the Employer of an active revocation of license on the next scheduled workday after the revocation.



**ARTICLE XII**  
**INJURIES AND ILLNESS**

- ☐ When an employee is absent because of illness or injury for a consecutive period of fifty-two (52) weeks or more or the length of his active seniority, whichever is less, he/she shall not be entitled to retain his/her position with the Employer, and at the expiration of such period, the Employer may dismiss such employee, but if the employee returns to work prior to the expiration of such period, and is physically able to carry on his/her duties, he/she shall return to his/her employment at the same rate of pay. Where the injury is incurred by the employee in the line of duty, he/she shall be returned to his/her former position whenever he/she is physically able to carry on his/her duties, but in the case of any Driver who is also a Salesman, as distinguished from a Driver who delivers predetermined orders, whose former route is being operated satisfactorily by another employee at the time such Driver is prepared to return to work, the Employer may assign such returning Driver to a new route, provided that he/she does not return to work within twenty-six (26) weeks from the date of the commencement of his/her absence.
- ☐ The Employer may voluntarily provide compensation to the employee during any such period of absence, but shall not be required to do so.
- ☐ If an extra man is assigned a route in the middle of a work week due to the protracted illness or injury of another employee, the route in question will re-bid in the extra man pool on the following Monday.

**ARTICLE XIII**  
**POLYGRAPH TEST**

Employer will not require an employee to take a polygraph or lie detector test; however, nothing herein shall prevent an employee from voluntarily taking such a test.

**ARTICLE XIV**  
**UNIFORMS AND EQUIPMENT**

Where Employer requires any employee in a department to wear a uniform, all employees in that department, except probationary employees, shall be supplied with uniforms. For the purpose of this Article, there shall be two (2) departments: (1) Inside Plant employees and (2) Drivers and other outside employees. The Employer shall have the option to determine whether such uniforms shall be purchased outright or rented. The Employer shall purchase or pay the rental charge. The Employer shall post a notice to all employees two (2) times per year (Spring and Fall) informing employees where and when they may obtain replacement uniforms. The Employer shall have the right to discipline any employee for not being presentable and to discharge such employee for repeated violations.

The Employer shall supply wagons, trucks, or other necessary equipment (Service employees will be required to own and maintain the basic tools necessary for the job). Except in the case of his/her own negligence, an employee shall not be responsible for damage to equipment in his/her charge and control, but shall be obliged to furnish witnesses or evidence to fix other responsibility.

**ARTICLE XV**  
**LAYOFF**

For the purposes of this agreement, departments will be defined as follows:

**Manufacturing**

- ☐ Warehouse
- ☐ Manufacturing Employees

**Sales**

- ☐ Conventional
- ☐ Combo
- ☐ On-Premise
- ☐ Bulk
- ☐ Extra Men

**Transport**

**Service (MEM)**

- ☐ Master Mechanic
- ☐ Mechanic

Any layoff or reduction-in-force will be accomplished by department by Company-wide seniority. In the event of a layoff or reduction in force the least senior person, with the least amount of accumulated department seniority in the affected department will be laid off. In the event of a layoff of any permanent employee, the employee will be given notice of one (1) week in advance of the layoff. Any employee who is laid off may, within forty-eight (48) hours of such lay-off, bump a junior person in another department provided that the employee possesses the necessary skills and ability. In the event such employee is determined by the Employer not to possess the necessary skill/ability to perform the job, the Company will provide affected employee and his/her Union Representative with an explanation as to why the employee was determined to be unqualified.

All active Fountain and Full Service Drivers hired prior to January 1, 1991 will not be laid off as a direct result of the combination of Retail and On-Premise routes.

**ARTICLE XVI**  
**RECALL**

- ☐ When the Employer's workforce is permanently increased after a layoff, employees on layoff are to return to work according to seniority. Employees will retain recall rights for one (1) year from the date of layoff. In the event of a recall, the laid off employee shall be given notice of the recall by certified letter sent to the address last given to the Employer by the employee. Within ten (10) working days of the mailing of such letter, as indicated on the certified mail receipt, the employee must notify the Employer of his intent to return to work. In the event the employee fails to provide such notice, he shall lose all seniority rights under this Agreement and shall be considered as a voluntary quit.
- ☐ Selection of vacation by the employee is to be made in the proper order of seniority in the department where he/she is presently employed.
- ☐ Upon request, the Steward will be given an up-to-date seniority list, but not more often than once every three (3) months.
- ☐ Extra Drivers who are assigned to routes during a layoff in the extra man pool shall be entitled to return to the extra man pool when junior extra drivers are recalled.
- ☐ For the purpose of this Article, the departments are Sales, Manufacturing, Service (MEM) and Transport.

**ARTICLE XVII**  
**JOB VACANCIES**

All job vacancies or new jobs created by the Employer in the bargaining unit will be posted for a period of five (5) work days in the department and throughout areas where employees work. In filling such vacancies, or new jobs, the Employer shall consider the senior interested employee who possesses the necessary skill and ability as determined solely by the Employer.

☐ **Posting**

Open or new jobs will be posted for five (5) working days in the entire bargaining unit prior to being filled from the outside. The posting will set forth the requirements of the job and the qualifications needed. Temporary or seasonal jobs will not be posted for bidding.

☐ **Bidding**

Employees wishing to be considered for a job opening must file a written bid form with the employee's immediate supervisor during the five (5) day posting period. Employees on vacation who feel qualified for possible job openings must inform their union steward and supervisor prior to going on vacation if they are to be considered for a bid.

☐ **Filling Jobs**

Preference in bidding will be given to employees in the Department in which the opening occurs. The job will be awarded based on the employee having pre-requisite qualifications within the Department with further consideration of the employee's seniority. For employees possessing equal skills and ability, the most senior employee shall be awarded the bid. If no employee within the Department qualifies, candidates from other departments who are qualified will be awarded the job based on Company seniority. In the Sales Department only Extra Driver Salesmen will be eligible to select temporary vacancies. A temporary vacancy is defined as any approved absence where a regular full-time employee still retains a right to that bid. All Extra Driver Salesmen will select temporary vacancies by seniority on a weekly basis every Monday except, however, when an Extra Driver Salesmen selects a temporary vacancy he shall remain in that position until the regular full time employee returns or the temporary vacancy is declared permanent and posted for permanent bid.

☐ **Testing**

The Company reserves the right to utilize testing and other evaluative measures to determine the relative skills and abilities of employees (i.e. - Service Department, etc.). The testing will be performed in a uniform fashion and the employee's results reviewed with the employee, but in an effort to preserve its confidentiality, no copies will be issued.

☐ **Trial Periods**

During a trial period, the successful bidder in a classification may be reasonably disqualified from that job if he fails to perform it in a satisfactory manner. If an employee is disqualified, he will return to his previous job/shift. The trial period for an employee new to a classification will be a period up to four (4) weeks on the job in which to demonstrate his/her ability to permanently hold the position.

☐ **Re-Bidding**

A successful bidder who qualifies for an open position may not bid for any other position for one hundred and eighty (180) calendar days after he is placed in the job for which he bid. If a successful bidder is disqualified from a position after being awarded a bid, he may not bid for any position within the same job classification for one hundred and eighty (180) calendar days after he was placed in the job for which he bid. This person could, however, bid into any other job classification.

The Company reserves the right to allow an employee to bid for a position requiring a CDL license when he does not possess a CDL license at the time of the bid. In such a case, if that employee is subsequently disqualified from the job because he fails to obtain his CDL, the Company will only award a bid to that person for CDL required positions after he receives his CDL license. Once the employee obtains his CDL, he may rebid for any CDL required position (other than the specific job for which he was disqualified) within the 180 days outlined above. Commissioned Drivers may have only two (2) successful bids in one (1) year, and may bid for those two opportunities without being restricted to the above 180 day time period outlined above.

**ARTICLE XVIII**  
**DISCRIMINATION AND UNION ACTIVITY**

The parties hereto agree not to use any subterfuge, coercion, or intimidation, directly or indirectly, to evade or frustrate compliance with the spirit and terms of this Agreement. No employee shall engage in any Union activities on the Employer's premises or during working hours.

Employer and Union agree that the provisions of this Agreement shall apply to all employees covered by the Agreement without regard to race, creed, color, religion, national origin, sex, age, handicap or veteran status.

**ARTICLE XIX**  
**CHECK-OFF OF UNION DUES**

On each weekly payday, Employer shall deduct Union dues, assessments, contributions to the Credit Union and special funds in an amount specified by the employee, in writing, and subscription costs to "DRIVE", on the first payday following the thirtieth (30<sup>th</sup>) day of employment for new employees, initiation fees, from the wages of all members of the Union who voluntarily sign authorizations for such actions which shall be irrevocable for the term of this Agreement or for one (1) year, whichever is less, and which shall be automatically renewable for a like period, and which shall be delivered by Union to Employer, and Employer shall promptly remit the sum of such deductions to the Secretary-Treasurer, or other duly authorized representative of the Union.

The Company agrees to make one voluntary check-off available for employee's to select optional long term disability insurance coverage and / or to participate in the UNION severance program.

The Union agrees to indemnify and hold harmless the Company for any and all actions it takes in complying with this Article.

**ARTICLE XX**  
**SEVERANCE**

Beginning January 1, 2001, EMPLOYER, on behalf of each regular full-time employee who has completed his/her probationary period, shall make contributions of one dollar (\$1.00) per week for each week worked or for which pay is received pursuant to this Agreement in the UNION'S Severance Fund. Beginning January 1, 2002, the contribution will become two dollars (\$2.00) per week. Beginning January 1, 2003, the contribution will become three dollars (\$3.00) per week. The benefits available to such employees thereunder will be such as are established from time to time by the Trustees of the Severance Fund. Such contributions shall be the limit of the EMPLOYER'S obligation to its employees with respect to severance benefits.

EMPLOYER shall be obligated to continue contributions for the benefits defined in this Article until the first (1<sup>st</sup>) day of the month following the sixth (6<sup>th</sup>) month of continued absence from work due to illness or injury

**ARTICLE XXI**  
**GRIEVANCE – ARBITRATION**

☐ In the event of a grievance or dispute arising under the terms of this Agreement, the employee shall take the matter up with his/her Supervisor, at which time a Shop Steward may be present, and every reasonable effort shall be made to reach a satisfactory solution. If no solution is reached, a formal grievance will be made with the Shop Steward and employee and another attempt will be made to resolve the issue with the supervisor. If, at that time, no satisfactory solution can be reached, the Business Agent or other duly authorized representative of the Union shall be notified by the employee within two (2) days of the event in issue, and the Business Agent or the duly authorized representative of the Union shall take the matter up with the Employer within five (5) days after the occurrence of the event in issue. If the Business Agent of the Union and the Employer cannot reach a satisfactory agreement, the matter shall be submitted to a disinterested arbitrator. The arbitrator shall be selected in accordance with the then prevailing Labor Arbitration Rules of the American Arbitration Association.

☐ The decision of the arbitrator shall be final and binding. No arbitrator shall have the power to add to or subtract from the terms of this Agreement. The parties agree to expedite such arbitration.

☐ The fee of the impartial arbitrator and the other costs of arbitration shall be borne equally by the Union and the Employer.

☐ It is expressly understood and agreed that any request for arbitration of a discharge of an employee must be made in writing by an Official of the Union to the Employer within fifteen (15) days from the date a written notice of the discharge is conveyed by the Employer to an Official of the Union, other than a Shop Steward, or it shall not be subject to arbitration.

In the case of any arbitration of a discharge, the arbitrator may sustain the discharge, or may order the reinstatement of the employee with or without back pay.

**ARTICLE XXII**  
**STRIKES AND LOCKOUTS**

Under no circumstances shall any strike, stoppage of work, walkout, picketing, boycott, refusal to work or perform any part of duty, or other interference with, or interruption of, the normal conduct of Employer's business be ordered, sanctioned, permitted or enforced by the Union, nor shall any lockout be ordered, sanctioned, permitted or enforced by the Employer, its officials or agents.

**ARTICLE XXIII**  
**PICKET LINES**

It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action, in the event an employee refuses to cross a lawful picket line at an establishment other than an Employer's establishment providing the picket line has been approved by Teamsters Joint Council 53.

**ARTICLE XXIV**  
**FUNERAL LEAVE**

☐ In the case of a death in the immediate family (namely; the death of a parent, grandparent, spouse's grandparent, stepchildren, spouse, child, brother or sister, father-in-law or mother-in-law) of a regular full-time employee requiring the employee's absence from his/her regularly scheduled assignments, the employee shall be granted a leave of absence up to three (3) working days. The three (3) working days shall be the two (2) working days immediately following death and the day of the funeral. Under no circumstances shall the application of this clause result in an increase in the employee's basic weekly wages.

**ARTICLE XXV**  
**JURY DUTY**

In the event an employee is called for jury duty and cannot get excused, he/she will receive his/her regular earnings less any and all amounts received for such service for regular scheduled workdays absent on such service for a maximum of ten (10) workdays. Regular earnings are used herein for each day shall be a day's pay as provided for holidays in Article V.

The Company will provide the Union with a side letter that states that the Company will meet with the Union to discuss extending jury duty pay for Employees required to perform jury duty that last longer than ten (10) days.

**ARTICLE XXVI**  
**MILITARY LEAVE**

Employees entering the military service shall be granted all rights and privileges required under the Law.



**ARTICLE XXVII**  
**STEWARDS**

The Employer recognizes the right of the Union to designate one (1) Shop Steward and one (1) alternate from each department as described in Article XV. The Employer further recognizes that there will be one (1) Shop Steward assigned for each manufacturing shift.

The authority of Shop Stewards and alternates so designated by the Union shall be limited to, and shall not exceed, the following duties and activities:

- ☐ The Investigation and presentation of grievances in accordance with the provisions of the Collective Bargaining Agreement.
- ☐ The collection of dues when authorized by appropriate Local Union action.
- ☐ The transmission of such messages and information which shall originate with, and are authorized by, the Local Union or its officers, provided such messages and information:
  - a. have been reduced to writing, or
  - b. if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

Shop Stewards and alternates have no authority to take strike action, or any other action interrupting Employer's business.

The Employer recognizes these limitations upon the authority of Shop Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the Shop Steward has taken unauthorized strike action, slowdown, or work stoppage in violation of this Agreement.

The Employer agrees a Shop Steward, who is qualified to perform the work, is to have superseniority for layoff and rehiring. The Union shall be privileged to appoint alternate Shop Stewards to act in the absence of a Shop Steward, but such alternate Shop Steward shall not have superseniority.

Provided there is no abuse of this privilege, the Employer will keep a Shop Steward on the clock while he/she is processing a grievance during his/her normal shift hours. A Steward will not remain on the clock while processing grievances after the end of his/her normal shift.



**ARTICLE XXVIII**  
**LEAVE OF ABSENCE**

The Employer agrees to grant the necessary and reasonable time off, without pay, to one (1) employee serving on the Union Executive Board designated by the Union to attend a labor convention, provided and upon the following conditions:

- ☐ At least ten (10) days' written notice therefore is given by the Union to the Employer setting forth the name of the employee, the nature and place of the convention and the respective dates under which such time off shall commence and end.
- ☐ The duration of such time off shall not exceed one (1) workweek and shall occur only once in any calendar year.
- ☐ The leave does not provide any operational hindrance.

Employees requesting a Leave under the Family Leave Act will have the option to exhaust all eligible paid time off before starting a 12 week leave without pay as provided for under the act.

**ARTICLE XXIX**  
**TRAINING PROCEDURE**

When the Employer determines a need for developing a pool of additional qualified employees in a job classification, an appropriate number of training bids will be posted. The training opportunities will be awarded to the most senior qualifiable employee(s) within the Department. Those individuals awarded the training bid will be given basic training as a group and then provided with on-the-job training as soon as possible based on seniority. Those who successfully complete the training program will become Qualified Trainees in the job classification. When a job opening occurs in that job classification, those who are Qualified Trainees in that classification will fill the opening based on their seniority.

The Company will set in place a procedure by which any employee who wishes will be afforded the opportunity to train and receive a CDL license. This procedure will be in place no later than September 1, 1995, and the Union agrees to cooperate with the Company to accomplish this within contractual limits. The Company will provide a vehicle for training and an Instructor. The employee will not be paid for the time spent training or the cost of the CDL license.

**ARTICLE XXX**  
**DRUG/ALCOHOL POLICY**

The manufacture, use, sale, purchase, transfer or possession of any alcoholic beverage or illegal drugs during working hours, including breaks or lunch time whether on or away from Company property, at any time during the course of a working day is cause for disciplinary action up to and including discharge.

Any employee who is convicted of the manufacture or sale of a controlled substance while off duty, may be subject to disciplinary action up to and including discharge.

An employee must report his conviction for a drug violation occurring in the workplace to the Company within five (5) days of their conviction and the failure to do so may result in disciplinary action up to and including discharge.

Reporting for work while under the influence of alcohol, illegal drugs, or excessive amounts of prescribed drugs which impair performance subjects an employee to immediate discharge.

Employer may require that an employee be tested for the presence of drugs or alcohol only under the following circumstances: (1) When the Employer reasonably suspects that the employee is impaired or under the influence of alcohol or drugs. Provided that prior to an employee being required to submit to testing, the Employer will, if feasible under the circumstances, afford a Steward the opportunity to observe the employee. (2) When the employee is participating in a treatment program of which regular testing is a part.

In the case of Drivers, testing will be required in accordance with any Department of Transportation legislation or other legislative requirement.

An employee is obligated to cooperate in any such medical examination or test including the execution of any forms required by any medical facility or laboratory which is involved, and the execution of an appropriate consent form and authorization of the examination and test results to be released to the Employer. If the employee fails in any way to fulfill such obligation or otherwise to cooperate in any medical examination or test hereunder, he/she shall be subject to immediate discharge for such failure. Any Driver found to have an alcohol concentration of 0.02 or greater but less than 0.04 shall not perform, nor be permitted to perform, any safety-sensitive functions for at least 24 hours, including driving a commercial motor vehicle. Any Driver found to have an alcohol concentration of 0.02 or greater but less than 0.04 will be subject to regular drug and/or alcohol testing for a period of twelve (12) months, similar to those employees participating in a drug and/or alcohol treatment program.

The Employer may conduct unannounced searches for illegal drugs or alcohol on Employer's property. Such searches are to be confined to Company property, but under no circumstances may the search include the employee's body or uniform being worn or the employee's personal motor vehicle.

As a condition of employment, all applicants must undergo a blood or urine test for controlled substances. No applicant who tests positive and who has no alternate acceptable medical explanation will be hired.

Any employee tested hereunder shall be given the opportunity to have the blood or urine sample tested simultaneously by an independent certified laboratory. If the test by the independent laboratory is positive, the cost for it will be paid by the employee. If the result is negative, the cost will be paid by the Employer.

This Policy will be strictly enforced. If any employee is having an alcohol or drug-related problem and desires professional help, please contact your supervisor, the Pepsi-Cola Employee Relations Office, or Teamsters Local 830 – we will do all we can to help you.

Any employee testing positive as a result of a government regulation or legislation shall be given the opportunity to submit to a certified rehabilitation program in lieu of discipline, unless it is determined that such employee performed work while under the influence of drugs or alcohol. This, however, shall only apply to the first failure of a test.

#### **ARTICLE XXXI** **SEASONAL EMPLOYEES**

Provided there are no employees laid off in a department, the Employer may hire seasonal employees in that department during the period of April 1, through September 10. Seasonal employees shall not receive benefits nor shall they accrue seniority, however they must become members of the bargaining unit. Pay for seasonal employees shall be 70% of the rate, (or base pay and commission) for the classification in which they work. This article shall not preclude the company from using casual employees to perform work that has not been exclusively performed by members of the bargaining unit or to cover manpower shortages (e.g. Any Injury, Government Mandated Absences, Approved absence for family emergency, etc.) It is not the intent of the Company to eliminate or restrict available overtime therefore the Company will attempt to exhaust all other reasonable means of covering these manpower shortages with bargaining unit employees before resorting to outside sources. The Company also agrees to limit the total number of casual employees used outside of the seasonal periods to no more than 5% of the total workforce.

#### **ARTICLE XXXII** **MERCHANDISING**

It is understood and agreed that in all accounts a Route Salesman shall devote his working time to selling, advertising and merchandising the products of the Company and shall give regular and constant service as designated by the Company, to all customers on his route. Route Salesmen shall actively prospect for and solicit new customers and all Company policies regarding sales transactions and records will be strictly adhered to.

**ARTICLE XXXIII**  
**RESETS**

Route Salesmen will be responsible for performing, resets, however, they will not be solely responsible for major resets (defined as, Full Cold Vault, Full Aisle, Full Store or Large Cooler Placement).

**ARTICLE XXXIV**  
**TERMINATION**

The terms and conditions of this Agreement shall, except as herein otherwise expressly provided, become effective the first (1<sup>st</sup>) day of January, 2000 and shall continue in full force and effect up to and including the thirty-first (31<sup>st</sup>) day of December, 2004 and thereafter from year to year unless and until either party shall give to the other notice by registered mail at least two (2) months prior to the expiration date in 2004 or to the expiration date in any year thereafter, of an intention to terminate, cancel or modify the Agreement.


**IN WITNESS WHEREOF**, this Agreement has been executed by the parties hereto, this 1<sup>st</sup> day of January, 2000.

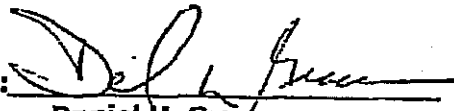
**FOR THE COMPANY:**

**THE PEPSI BOTTLING GROUP**

**FOR THE UNION:**

**TEAMSTERS LOCAL 830**

BY:   
Michael Gilligan  
Vice President, Human Resources

BY:   
Daniel H. Grace  
Secretary-Treasurer

**APPENDIX A**  
**WAGE SCHEDULE**

The hourly rate for Bulk Drivers who were employed in the Sales Department on January 1, 1995 shall follow Bulk Schedule (A). The hourly rate for Bulk Drivers who are new to the Sales Department after January 1, 1995 shall follow Bulk Schedule (B).

**WAGES**

	<b><u>Effective</u></b> <b><u>1/1/00</u></b>	<b><u>Effective</u></b> <b><u>1/1/01</u></b>	<b><u>Effective</u></b> <b><u>1/1/02</u></b>	<b><u>Effective</u></b> <b><u>1/1/03</u></b>
<b>Combo Routing</b>				
Pre/Post Mix	\$ 0.15			
Cups	\$ 1.15			
CO2 (Roundtrip)	\$ .65			
Full Service	\$ 0.46			
<b>On-Premise</b>	\$ 15.78	\$16.23	\$16.63	\$17.03
Bulk Schedule A	\$ 20.40	\$20.85	\$21.25	\$21.65
Bulk Schedule B	\$ 16.50	\$16.95	\$17.35	\$17.75
Extra Men	\$ 15.78	\$16.23	\$16.63	\$17.03
<b>HOURLY:</b>				
<b>Manufacturing</b>	\$ 14.90	\$15.35	\$15.75	\$16.15
<b>Distribution</b>				
Transport	\$ 15.50	\$15.95	\$16.35	\$16.75
Satellite Warehouse	\$ 14.90	\$15.35	\$15.75	\$16.15
<b>Service</b>				
Mechanic A	\$ 17.25	\$ 17.70	\$ 18.10	\$ 18.50
Mechanic B	\$ 16.25	\$ 16.70	\$ 17.10	\$ 17.50
Mechanic C	\$ 15.50	\$ 15.95	\$ 16.35	\$ 16.75
Flex Week Premium	\$ .30	\$ .30	\$ .30	\$ .30

Effective upon ratification of this Agreement dated January 1, 2000 through December 31, 2004, the following one time lump sum ratification bonuses shall be made:

Conventional CRs:	One thousand dollars (\$1,000)
Extra Men:	Five hundred dollars (\$500)
All other hourly employees:	One hundred dollars (\$100)

For employees who were Conventional CRs prior to the Full Facility re-route in February 2000, and after the re-route they became Extra Men, the following would apply to their one time lump sum ratification bonus:

- ☐ If the Extra Man spends more than 50% of year 2000 (after moving into the Extra Man classification) in a commissioned job classification, the Company will pro-rate their lump sum ratification bonus based on the percent of time spent in a commissioned job classification in 2000.

The night shift premium is thirty-five cents (\$.35). Night shift premium will be paid to all hourly paid employees whose work shift starts anytime between 12:00 p.m. (noon) and 4:00 a.m..

- ☐ On-Call Vending Mechanics will be compensated at twenty dollars (\$20.00) per day. In the event an On-Call Vending Mechanic is called into service, he shall be guaranteed a minimum of two (2) hours of pay.

**Section 2. Step Rates:** All newly-hired employees shall be paid according to the following Step Rate schedule:

<u>Period of Employment</u>	<u>Rate of Pay</u>
0 - 12 Months	80% of Applicable Rate
13 - 24 Months	90% of Applicable Rate
25 Months & Thereafter	100% of Applicable Rate

The Company reserves the right to waive Step Rates at any time. Step Rates shall not apply to commissioned Retail CRs.

**Section 3. Short Term Disability:** The maximum payment for any employee out of Short Term Disability will be \$350 per week.

**APPENDIX B**  
**MEMORANDUM OF AGREEMENT**  
**REGARDING TOOL ALLOWANCE**

Effective with the week of March 18, 1991, the undersigned agree all employees within the Service Department will be issued all tools required to complete their regular and necessary work assignments. It is understood this tool purchase is on a one-time basis only. Should an issued tool become lost, stolen or rendered unusable during the performance of their regular work assignments, it will be replaced by the Company.

The below all inclusive listing of tools will form the basis for the extent and type of tools purchased.

**TOOLS FOR SERVICE MECHANICS**

- ☐ Set of open or closed wrenches 3/8" to 7/8"
- ☐ Set of nut drivers 1/4", 5/16", 11/32", 3/8", 7/16", 1/2"
- ☐ Oetiker crimpers
- ☐ Pair of pinch-offs vise-grip
- ☐ (2) Screw drivers – slotted and Phillip's
- ☐ 10" adjustable wrench
- ☐ Vise-grip locking wrench
- ☐ Crescent multi-pliers
- ☐ Alligator pliers (about the same tool)
- ☐ Hose
- ☐ Needle-nose pliers
- ☐ Slip joint plier
- ☐ 1/4" and 3/8" combination drive socket set
- ☐ Diagonal cutter or dikes
- ☐ Utility Knife
- ☐ Hammer
- ☐ Hex Key Set
- ☐ Torpedo Level
- ☐ File Flat
- ☐ Tool Box or Utility Pouch
- ☐ Flashlight
- ☐ Thermometer
- ☐ Wire Brush

**\$100.00 Approximate Cost Per Employee**

**APPENDIX C**  
**WEST CHESTER, PA / WILMINGTON, DE**  
**PEPSI-COLA HOURLY PENSION PLAN**  
**EFFECTIVE JANUARY 1, 1995**

<b>Effective Date</b>	January 1, 1995
<b>Eligibility</b>	All regular, full-time employees covered by this Labor Agreement.
<b>Participation</b>	Eligible employees become a participant on the date they: <ul style="list-style-type: none"><li><input type="checkbox"/> Are Age 21 or older and</li><li><input type="checkbox"/> Have completed twelve (12) months of employment in which you are credited with 1,000 or more hours of employment. This twelve (12) month eligibility period will be measured from date of hire, or any subsequent January 1.</li></ul>
<b>Normal Retirement</b>	Age 65
<b>Early Retirement</b>	Age 55 and 10 years vesting service; 4% reduction factor per year prior to age 62.
<b>Disability Retirement</b>	10 years vesting service/6 month commencement from date of disability approved for social security disability award payable at age 65 (accrued benefit as of date of disability).
<b>Deferred Vested</b>	100% vested in pension plan, but have not met age and service requirements for early retirement. Benefit payable at age 65, or a reduced amount beginning on the first day of any month after you attain age 55. Reduction is the actuarial equivalent of the benefit payable at age 65, not the early retirement reduction factor.
<b>Qualified Pre-Retirement Survivor Annuity</b>	Automatic (no charge) – Actives (Vested) Elected (reduction charge) – Deferred Vested
<b>Vested Service</b>	Years of service used to determine eligibility for benefits. Vesting date is date of hire.
<b>Vesting Schedule</b>	100% vested after 5 years



**Credited Service** Years of service used to determine the amount of benefits at retirement or other termination of employment.

**Benefit Formula** Dollar Multiplier x Years of Credited Service = Monthly Benefit; reduced by the Early Retirement Discount Factor (if any):

**Dollar Multiplier:** Effective January 1, 2000: \$42.00

**APPENDIX D**  
**INTENT OF CLASSIFICATION COMBINATION**

**Manufacturing Classification**

1. **Can Team:** Filler (High Cone, Tray, 24-Pack), Depal, Forklift, Extra Person
  2. **2-Liter Team:** Filler, Labeler, Shell Thrower, Palletizer, Forklift, Extra Person
  3. **Syrup Team:** Pre/Post Mix
- ☐ The intent of this proposal is twofold. First, we would like each employee to become familiar with all jobs within his/her Team. Second, the existing employees will not be disqualified or otherwise disciplined for failure to reach acceptable performance levels in all functions within a Team, provided there is a good faith effort.
  - ☐ Each Team will be composed of two (2) regular shifts and one (1) additional shift during peak periods.
  - ☐ No premium jobs.
  - ☐ Each employee bids the Team and the shift they desire.
  - ☐ The Company will decide with the Team which job each member of that Team will be performing. It behooves the Team to place individuals in jobs they feel most comfortable in and show the greatest aptitude.
  - ☐ Each Team Member will be placed in his or her job according to seniority and classifications.
  - ☐ The extra person on each Team will be used to rotate employees through the different jobs on his/her Team in order for those employees to receive the necessary training.

**LETTER OF UNDERSTANDING #1**

**SENIORITY FOR SELECTING VACATIONS**

The Company will honor the one time recommendation by the Union on how employees will pick their vacation (either by Department Seniority or by Company Seniority)

**LETTER OF UNDERSTANDING #2**

**SELECTING VACATIONS**

Vacation schedule will be posted by the end of November. Each employee, in order of seniority (department or Company to be determined by letter of understanding) will have three (3) days to select all of his/her vacation. If this employee does not select vacation weeks within this three day period they will go to the bottom of the list, and the next senior employee will select their vacation weeks. Once an employee has selected his/her weeks, (which should be completed by the end of December of the previous year) no other employee can displace that selection. Employees will be required to use their vacation as selected. Employees will only be allowed to turn down their vacation on case by case situation as mutually agreed upon by Management and the employee. If an employee's vacation week is switched, their old vacation week will be posted for bid. Employees trading vacation weeks will be disciplined.

**LETTER OF UNDERSTANDING #3**

**CR INVOLVEMENT IN PRICING, FEEDBACK ON NET REVENUE**

It is the intent of Wilmington/West Chester management to include a representative selection of conventional commissioned Customer Representatives in the preliminary process of developing pricing in each Trimester of the year. This could include the following: requests for information on competitive pricing, feedback on various levels of pricing under consideration and feedback and ideas on various promotional programs.

In addition, as part of these Trimester pricing discussions, we'll also ask for CR Input on the status of the Net Revenue Compensation system.

**LETTER OF UNDERSTANDING #4**

**HANDLING OF PAYROLL MISTAKES**

In the event there is a mistake of greater than \$100.00 in an employee's regular weekly paycheck, the company will make every reasonable effort to correct that mistake and mail the correct compensation amount to the employee within 48 hours of being notified of such mistake, unless the company becomes aware of the mistake on a Friday after 10:00 a.m.. In the event the company is notified on a Friday after 10:00 a.m., the company will make every reasonable effort to have the corrected compensation amount mailed to the employee for delivery on Tuesday of the next workweek.

Any employee whose paycheck is incorrect should notify their immediate supervisor as soon as possible in order to correct the mistake. If the immediate supervisor is unavailable the employee should notify the local Human Resource Manager to correct the mistake.

**LETTER OF UNDERSTANDING #5**

At the request of the union, the parties agree to schedule a meeting with two members of Local 830 to discuss issues pertaining to Flexible Benefits. This meeting will be conducted prior to a final decision on the subsequent year's benefits design. The Company will respond to reasonable requests for information on the benefits plan and will provide the employee representatives the opportunity to provide input and to identify their concerns and needs.

6



# **COLLECTIVE BARGAINING AGREEMENT**

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**between**

**THE PEPSI BOTTLING GROUP, INC.**  
Wilmington, DE / West Chester, PA

**and**

**TEAMSTERS LOCAL UNION NO. 830**

**Affiliated with the International Brotherhood of Teamsters,  
Chauffeurs, Warehousemen and Helpers of America**

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**COVERING THE PERIOD OF:**  
**January 1, 2004 to and including December 31, 2007**

PBG 00269

## Table of Contents

ARTICLE I - DECLARATION OF PURPOSE .....	1
ARTICLE II - UNION RECOGNITION: SCOPE OF AGREEMENT .....	1
ARTICLE III - UNION SHOP: HIRING OF NEW EMPLOYEES .....	1
ARTICLE IV - HOURS OF WORK .....	2
ARTICLE V - HOLIDAYS .....	4
ARTICLE VI - VACATIONS .....	5
ARTICLE VII - LUNCH RELIEF PERIODS .....	7
ARTICLE VIII - WAGES .....	7
ARTICLE IX - FLEXIBLE BENEFITS PLAN .....	10
ARTICLE X - MANAGEMENT'S RIGHTS .....	12
ARTICLE XI - DISCHARGES .....	12
ARTICLE XII - INJURIES AND ILLNESS .....	13
ARTICLE XIII - POLYGRAPH TEST .....	13
ARTICLE XIV - UNIFORMS AND EQUIPMENT .....	13
ARTICLE XV - LAYOFF .....	14
ARTICLE XVI - RECALL .....	14
ARTICLE XVII - JOB VACANCIES .....	15
ARTICLE XVIII - DISCRIMINATION AND UNION ACTIVITY .....	16
ARTICLE XIX - CHECK-OFF OF UNION DUES .....	17
ARTICLE XX - SEVERANCE .....	17
ARTICLE XXI - GRIEVANCE - ARBITRATION .....	17
ARTICLE XXII - STRIKES AND LOCKOUTS .....	18
ARTICLE XXIII - PICKET LINES .....	18
ARTICLE XXIV - FUNERAL LEAVE .....	18
ARTICLE XXV - JURY DUTY .....	18
ARTICLE XXVI - MILITARY LEAVE .....	19
ARTICLE XXVII - STEWARDS .....	19
ARTICLE XXVIII - LEAVE OF ABSENCE .....	20
ARTICLE XXIX - TRAINING PROCEDURE .....	20
ARTICLE XXX - DRUG/ALCOHOL POLICY .....	20
ARTICLE XXXI - SEASONAL EMPLOYEES .....	22
ARTICLE XXXII - MERCHANDISING .....	22
ARTICLE XXXIII - TERMINATION .....	23
APPENDIX A. Wage Schedule .....	24
APPENDIX B. Memorandum of Agreement - Regarding Tool Allowance .....	26
APPENDIX C. The Pepsi Bottling Group Hourly Pension Plan .....	27
APPENDIX D. Intent of Classification Combination .....	28
APPENDIX E. AOM Pre-sell System .....	29
LETTER OF UNDERSTANDING #1. Seniority for Selecting Vacations .....	34
LETTER OF UNDERSTANDING #2. Selecting Vacations .....	35
LETTER OF UNDERSTANDING #3. CR Involvement in Pricing, Feedback on Net Revenue .....	36
LETTER OF UNDERSTANDING #4. Handling of Payroll Mistakes .....	37
LETTER OF UNDERSTANDING #5 .....	38
MEMORANDUM OF AGREEMENT #1 .....	39

## **ARTICLE I - DECLARATION OF PURPOSE**

The purpose of this Agreement is to insure industrial peace. The parties hereto recognize that without mutual understanding, harmony and cooperation among employees, between employees and Employer, and between Union and Employer, and without uninterrupted operation, it is impossible to conduct Employer's business with the economy and efficiency indispensable to its existence and to the best interest of its employees.

## **ARTICLE II - UNION RECOGNITION: SCOPE OF AGREEMENT**

- A. The Employer recognizes the Union as the sole collective bargaining agency for all employees, at its existing plants located on 3501 Governor Printz Boulevard, Wilmington, Delaware and on 920 South Bolmar Street, West Chester, Pennsylvania, in the classifications covered in Schedule A attached hereto.
- B. This Agreement shall not be construed to extend to nor affect in any way executive or supervisory help or any other classification of employee not expressly covered in Schedule A. The terms "employee" or "employees" as used in this Agreement shall be construed to include only the classifications of employees covered in Schedule A and shall not be construed to include any employees expressly excepted under this Article.

## **ARTICLE III - UNION SHOP: HIRING OF NEW EMPLOYEES**

- A. Except as herein expressly otherwise provided; Employer agrees, as to all classifications of employees specifically covered by this Agreement, to employ none but members in good standing of Union. Union agrees to admit to membership all present employees of Employer specifically covered by this Agreement.
- B. Employer shall have the right to secure new employees from any source. However, Employer will call Union to give it first opportunity to provide such employees. Employer reserves the right to reject any person referred by Union. New employees shall become members of the Union after thirty (30) calendar days of employment or the effective date of this Agreement, whichever is later. If employment is continued after such thirty (30) day period, Union agrees to accept such employees as members.
- C. Anything in the foregoing to the contrary notwithstanding, the first ninety (90) working days shall be considered a trial period, and during such trial period, Employer shall have the unqualified right to dismiss such new employees, the exercise of such right not being subject to arbitration.
- D. Any employee who is expelled or suspended from the Union because of nonpayment of dues shall be subject to dismissal seven (7) days after notification in writing to the Employer by the Business Agent, the President, or the Secretary-Treasurer of the Union; provided, however, where such suspension or expulsion is for nonpayment of dues and payment of such arrearages is made within such seven (7) day period, Employer shall not be required to dismiss such employee. When an employee has been dismissed by the Employer due to his/her suspension or expulsion by the Union, the Employer shall not be required to re-employ or reinstate such employee at any time.

PBG 00271

- E. Where any discharge required by this Article III would result in working a hardship upon the Employer, the Employer shall be permitted a reasonable length of time to secure a new employee before making such discharge.
- F. Supervisors or management will not normally perform bargaining unit work (i.e. - Union-defined jobs) except for work being performed currently, training of employees, and emergency situations.

#### ARTICLE IV - HOURS OF WORK

- A. The regular workweek for all employees shall consist of five (5) days on an eight (8) hour basis or four (4) days on a ten (10) hour basis, Monday through Friday. The regular workday for hourly-rated employees shall consist of eight (8) hours on a five (5) day basis or ten (10) hours on a four (4) day basis.

The regular workweek for Bulk, Warehouse, and Vending Service employees shall consist of five (5) days on an eight (8) hour basis or four (4) days on a ten (10) hour basis Monday through Sunday with the following restrictions:

- 1. No more than two (2) Bulk Drivers and Warehouse employees with a Sunday work schedule by the end of 1991. No more than four (4) Bulk Drivers and Warehouse employees with a Sunday work schedule by the end of 1992.
- 2. No more than two (2) Service Department employees with a Sunday work schedule by the end of 1991. No more than four (4) Service Department employees with a Sunday work schedule by the end of 1992.

The regular workweek for Production employees shall consist of five (5) days on an eight (8) hour basis or four (4) days on a ten (10) hour basis Monday through Saturday. Employees on a four (4) day ten (10) hour schedule will receive three (3) scheduled days off in a week, two (2) of which shall be consecutive days off.

Any employee assigned a Saturday or Sunday workweek will receive a flex schedule premium pay of thirty cents (\$.30) for all hours worked.

The regular workweek for Delivery Merchandisers shall consist of five (5) days on an eight (8) hour basis or four (4) days on a ten (10) hour basis, Monday through Saturday. Delivery Merchandisers on a four (4) day ten (10) hour schedule will receive three (3) scheduled days off in a week, two (2) of which shall be consecutive days off.

- B. Any hourly rated employee who reports to work at his/her scheduled reporting time shall be guaranteed with (8) hours of work or pay unless such employee has been notified by the company not to report to work at least two (2) hours prior to his/her scheduled start time.
- C. Any driver(s) paid a commission who reports to work at his/her scheduled reporting time and is not permitted to take out his/her route for any reason shall be guaranteed one days vacation pay unless such employee has been notified not to report to work at least two (2) hours prior to his/her scheduled start time.

PBG 00272

- D. For purposes of notification as required in Paragraphs B, C, and H of this Article, an employee shall be required to provide a telephone number at which he/she can be contacted for such notification. One (1) attempt to reach an employee at such number will be considered proper notification. Employer will not be held responsible for a message not communicated to the employee by third parties who answer the telephone at the number given by the employee. If the employee fails to provide a telephone number, the Employer shall have no responsibility for notification as required under this Article.
- E. Hourly-rated employees may be required by the Employer to work on the fifth (5th), sixth (6th) or seventh (7th) days and to work longer than their scheduled shifts in any day. No employee will be required to work longer than 12 hours in any one day.
- F. Overtime pay for any hourly-rated employee shall be time and one-half (1 1/2) times his/her regular straight time hourly-rate for work done over their regularly scheduled shift in any work day or over forty (40) hours in any workweek. Overtime pay for any hourly-rated employee who works on the seventh (7th) day in a workweek shall be double (2) his/her regular straight time hourly rate for all hours worked on that day.
- G. Bulk Drivers shall be guaranteed 8 hours of work or pay on any day for which they are scheduled and report to work and did not receive notification not to report to work. Any Bulk Driver completing his/her scheduled deliveries prior to the end of their shift may be assigned to other duties within the Bulk Department, performing Relays or within the Transport Department so long as there are no Transport Drivers available to work due to DOT restrictions, and there are no Transport Drivers on Lay Off status.
- H. Employees other than hourly-rated employees may be required by the Employer to work on the fifth (5th), sixth (6th) or seventh (7th) days.
- I. An employee who is called in to perform work prior to but continuing up to his/her regular scheduled shift shall not have his/her regular scheduled shift suspended to avoid the payment of overtime.
- J. Absent emergency situations, the Employer shall give employees twenty-four (24) hours notice of required overtime work scheduled for the fifth (5th), sixth (6th), or seventh (7th) day in accordance with Paragraph (D) above. The Employer will post an "I agree to work overtime" list on a weekly/daily basis, prior to each shift for the purpose of employees making themselves available for available overtime. The purpose of this list is to determine who is interested in volunteering for available overtime. On a "bottom up" basis, senior qualified employees will be required to work if requested. In the event an insufficient number of employees sign the "overtime" list, the Employer may assign such overtime on a bottom-up basis in accordance with the needs of the Employer. This list applies only to Production/Warehouse employees. The Company will assign all overtime work based on seniority and qualifications.
- K. There shall be no pyramiding of overtime pay. For example, overtime paid on a daily basis shall not be duplicated on a weekly basis nor shall overtime for the fifth (5th), sixth (6th) or seventh (7th) day and holiday work be duplicated on the basis of daily or weekly overtime hours. If the overtime pay requirements are met under more than one section of this Agreement, only that section yielding the higher payment will apply.

PBG 00273

- L. Unscheduled overtime work at the end of a given shift may be required of the employee performing the required work on that shift and need not be offered to qualified employees on the basis of seniority.
- M. The Company may offer, on a volunteer basis only, a three (3) consecutive day / thirty-six (36) hour workweek (3 x 12) schedule. Employees who work such schedule shall be compensated for forty (40) hours times their regular hourly rate of pay.

If a holiday falls on a regularly scheduled work day of an employee on a 3 x 12 schedule, they shall be compensated for 13.3 hours of straight time pay for the holiday. If a holiday falls outside their regular workweek, they shall be compensated for eight (8) hours of straight time pay for the holiday. Employees on an approved personal day shall receive eight (8) hours of straight time pay for the personal holiday.

Employees working a 3 x 12 schedule shall not receive the flex schedule premium (thirty (\$.30) per hour) outlined in Section A of this Article if they work a schedule which includes a Saturday or Sunday.

## ARTICLE V - HOLIDAYS

- A. The following named holidays are observed under this Agreement:

New Year's Day	Martin Luther King Day
President's Day	Easter Monday
Memorial Day	Independence Day
Labor Day	Columbus Day
Thanksgiving Day	Christmas Day

When any of these holidays fall on a Sunday and the next day is observed as the holiday, same shall be considered the holiday. Only employees who work both the scheduled full work day before and the scheduled full work day after any of these holidays shall be entitled to the benefits of this.

- B. Each employee who has been employed a minimum of ninety (90) calendar days prior the holiday and who does not work on a named holiday shall nevertheless be compensated as follows:
  - 1. Any hourly-rated employee shall receive eight (8) hours of straight time pay at his/her regular hourly rate. Any hourly-rated employee who works four (4) days at ten (10) hours shall receive straight time pay at his/her regular hourly rate.
  - 2. All hourly employees on a four (4) ten (10) hour day work week shall receive ten (10) hours straight time pay at his/her regular hourly rate if a holiday falls on his/her scheduled work day. If the holiday falls outside the employees' normal workweek, he/she shall be entitled to eight (8) hours regular pay at his/her hourly rate.
  - 3. Pre-Sell Representatives, Delivery Merchandisers who are paid base and commission, and Extra Drivers whose regular rate of pay includes a commission shall receive holiday pay equivalent to that of the daily vacation rate. Any hourly paid

PBG 00274



Delivery Merchandiser who came into the Delivery Merchandiser role directly from a Conventional CR position on the transition to Pre-Sell shall receive holiday pay using the same calculation as is used for those Delivery Merchandisers who are paid base and commission.

- C. Each employee who works on a named holiday or in lieu thereof, on the day the named holiday is observed as set forth in A above shall be compensated as follows; provided, however, no employee shall receive holiday pay for working on both the named holiday and the day on which said holiday is observed:
1. Hourly-rated employees shall receive double (2) time for all hours worked on said holiday in addition to their straight time holiday pay.
  2. If the holiday falls on a Saturday, all employees will receive holiday pay as calculated above in lieu of receiving the time off.
- D. When any of the holidays set forth in Paragraph A of this Article falls in the vacation week of an employee, such employee shall receive his/her holiday pay as provided in Paragraph B of this Article.
- E. Any employee placed on layoff in the workweek immediately prior to a holiday will be entitled to holiday pay.
- F. **Personal/Sick Days** - Each employee will be entitled to a maximum of eight (8) sick/personal days in each calendar year earned as set forth below. When possible, sick/personal days must be mutually agreed to by the employee and Employer, so as not to interfere with the operation of any department.

When an employee has requested a personal holiday at least one (1) week in advance, the Employer agrees to notify the employee at least 48 hours prior to the requested personal day as to the status of the request. Failure of the Employer to respond to a personal holiday request within the 48-hour period shall be deemed an approval of the requested personal holiday. In the event an employee requests a personal day after the one (1) week notification period outlined above, the Employer agrees to notify the employee at least 24 hours prior to the requested personal day as to the status of the request.

Any earned personal/sick days not taken by an employee prior to December 15th of each year shall be paid by Employer no later than the last pay period prior to the Christmas holiday.

## ARTICLE VI - VACATIONS

- A. Subject to Paragraph F of this Article, every employee who has been continuously in the employ of the Employer for one (1) year or more shall be entitled to two (2) weeks' vacation, consisting of consecutive days, with pay, as scheduled by Employer. Every employee who has been continuously in the employ of the Employer for three (3) years or more shall be entitled to three (3) weeks' vacation with pay as scheduled by Employer. Every employee who has been continuously in the employ of the Employer for eight (8) years or more shall be entitled to four (4) weeks' vacation with pay as scheduled by Employer. Every employee

PBG 00275

who has been continuously in the employ of the Employer for twenty (20) years or more shall be entitled to five (5) weeks' vacation with pay as scheduled by Employer. Subject to this Article, all vacations shall be taken in weekly increments..

- B. The vacation pay for a Pre-Sell Representative, Delivery Merchandiser who are paid base and commission, or Extra Driver whose regular rate of pay includes a commission for each week of vacation to which he/she is entitled shall be his/her average weekly earnings for the preceding year. Average weekly earnings shall be determined by dividing the employee's gross earnings as reported on his/her W-2 Form, minus any bonus monies, for the preceding year by the number of weeks he/she worked during that year.
  - C. The vacation pay of an hourly-rated employee for each week of vacation to which he/she is entitled shall be forty (40) hours of straight time pay at the rate being received by the particular employee at the time he/she is given his/her vacation. This also includes Extra Drivers, if their average earnings do not exceed the utility rate.
  - D. The length of the vacation to which an employee shall be entitled shall be computed on the basis of the anniversary date of such employee's employment.
  - E. Vacations scheduled by the Employer shall be scheduled on the basis of Company seniority within a department (departments designated in Article XV). Once the vacation period has been selected and the vacation list posted, no changes will be permitted. Employer shall have the right to determine the number of employees who may take vacations within any period. The Employer will be reasonable in allowing as many employees as possible to take vacations as long as it does not hinder operations.
  - F. Any employee with more than one (1) year's continuous employment who resigns and gives the one (1) week's notice provided in Article X shall be entitled to vacation pay on a pro-rata basis. Thus, such an employee will be entitled to one-twelfth (1/12th) of his/her normal vacation pay for each full month of employment since his/her last anniversary date.
  - G. In the event an employee has selected vacation, and with two weeks notice before commencement of that vacation he requests to cancel that vacation, the company will open that week of vacation to bidding by other employees within that department. The company will then allow two additional bids on subsequent vacation weeks that results from the original cancellation of the first employees vacation (three bids in total).
- Vacation cancellation requests with less than two weeks notice may be approved at the discretion of the company. If the company approves a cancellation request with less than two weeks notice, the company will make every effort to open that vacant week forbidding by other members of the department. No subsequent bids will be done in this instance.
- H. Subject to the Company's approval an employee with three (3) or more weeks of vacation may voluntarily sell back vacation time (in full week increments), but not below one week of eligibility. In the event an employee wishes to voluntarily sell back vacation time, he must notify the company of his intent to do so one month in advance of the commencement of such vacation. The Company will honor requests of less than one month on a case by case basis. A process for notification will be established by the Company to handle such

PBG 00276



requests. The Company will continue to handle requests of less than one month on a case by case basis.

## **ARTICLE VII - LUNCH RELIEF PERIODS**

All employees covered by this Agreement shall be entitled to an unpaid lunch period of one-half (1/2) hour during each regular working day. Manufacturing employees shall receive one (1) break period for each four (4) hours of work in a given shift.

### **Budding Eights**

All employees covered by this Agreement may be entitled to an unpaid lunch period of one-half (1/2) hour during each regular working day. Operations employees may receive one (1) fifteen (15) minute break period for each four (4) hours of work in a given shift.

All Operations employees on an eight (8) hour schedule may receive two (2) twenty minute breaks with no lunch period. Twenty-four (24) hour notice will be given prior to a change from or to a third shift operation. Relief periods will not be started earlier than two (2) hours after the start of a shift. If mutually agreed upon by the Company and the majority of employees, a team within a department can work a combination of two (2) twenty (20) minute breaks or one (1) forty (40) minute break.

### **Overtime**

2 Hour Shifts: The employee will receive an additional ten (10) minute break period.

4 Hour Shifts: The employee will receive an additional twenty (20) minute break period.

## **ARTICLE VIII – WAGES**

The wage rates of all employees covered by this Agreement shall be set forth in Appendix A-Wage Schedule.

### **Wages of Unclassified Employees; Transfers:**

The Employer reserves the right temporarily to transfer employees from one department to another. The Contract wage scale of the department to which the temporary transfer is made, shall apply to the employee so transferred, provided, however, that in case of such temporary transfer, a man's wage shall not be reduced below that which he/she has ordinarily been receiving, and he/she shall receive the higher rate for the full day regardless of the number of hours worked in the higher-rated job classification. A temporary transfer of more than one (1) month may be renewed for an equal and additional period of time, after which time the vacancy filled by such temporary transfer must be filled in accordance with normal procedure or abolished.

### **SALES COMPENSATION**

The Sales Compensation Plan shall be governed by the provisions contained in the "Conversion to AOM Pre-Sell System" section of this Agreement, in addition to the following provisions.

**Section 1. Definition of a Route.**

A route shall be defined as a roster of accounts which may change from time-to-time in accordance with the provisions of this Agreement.

**Section 2. Pay Rates.**

Pay rates for Pre-Sell Representatives and Delivery Merchandisers shall be: (TO BE ADDED AFTER ECONOMIC NEGOTIATIONS)

<b>Delivery Merchandisers</b>	<b>1/1/04</b>	<b>1/1/05</b>	<b>1/1/06</b>	<b>1/1/07</b>
Base Pay / day	\$82.15	\$85.75	\$89.35	\$92.55
Commission / unit	\$.146	\$.146	\$.146	\$.146
<b>Pre-Sell Representatives:</b>				
Base Pay / day	\$84.15	\$84.15	\$84.15	\$84.15
Commission / unit				
Cans	\$.09	\$.09	\$.09	\$.09
Other Take Home	\$.135	\$.135	\$.135	\$.135
Single Serve	\$.162	\$.162	\$.162	\$.162

**Section 3. Route Cuts.**

The Company reserves the right to unilaterally cut any account from any route and reassign it to any other route or delivery system covered by this Agreement. The Company may also add any account to any route.

Nothing in this section shall be construed as a limitation on the Company's ability to determine the size and/or frequency of route cuts.

Within the Sales Departments, the Company will limit the number of total facility re-routes to once per year during the term of the agreement (once per year for the Bulk Sales Department and once per year for the Conventional Sales Department).

**Section 4. Ongoing Route Bidding.**

During the course of a year, the following information shall be provided on the bid sheet for a route which has come open and is eligible for bid:

- ☐ The roster of accounts for that route (with prior year volume for each account);
- ☐ The total number of cases and gallons sold in that roster of accounts in the prior year.
- ☐ The total number of cases and gallons sold in that roster of accounts year-to-date.

The minimum revenue to be posted on any route will be \$650,000 in revenue, including the projected revenue from anticipated new store openings on that route.

PBG 00278

**Section 5. Establishing a New Permanent Route.**

In the event that a new and distinct PSR route is created during the course of a year, that route shall be posted for bid and the following information shall be provided on the bid sheet:

- ☐ The roster of accounts for that route (with year-to-date and prior year volume for each account);
- ☐ The total number of cases or gallons sold in that roster of accounts year-to-date and in the prior year.

**Section 6. Establishing a Single-day Route (Pre-Sell Representatives Only).**

In the event that a number of accounts from different routes required single-day service, the Company shall have the right (but shall not be obligated) to aggregate those accounts onto a single route(s) or routes(s) for the purpose of accommodating the Single Day service need. The route(s) shall be posted for bid and the Pre-Sell Representative(s) who secures the bid shall be paid the base and commission for those accounts for that day. However, no commission shall be paid to the Pre-Sell Representative who regularly services that account.

A PSR shall always have first preference for servicing his own accounts on each such days.

**Section 7. Relief Pre-Sell Representatives.**

When an employee who is not a PSR runs a PSR route for a day, he shall be paid the higher of the base and commission generated from the accounts on that route that day or eight (8) times the extra man hourly rate per day, whichever is greater. When an employee who is not a PSR runs a route for a week, he shall be paid the higher of the base and commission generated from the accounts on that route that week or forty (40) times the Utility Driver hourly rate.

However, no commission shall be paid to the Pre-Sell Representative who regularly runs that route.

**Section 8. Shortages.**

When a Delivery Merchandiser is short at the end of a day, he shall be charged at the wholesale price for those cases that he is short.

**Section 9. Product Returns.**

If product that is out of date, damaged, etc. is sent back from an account serviced by a PSR, he shall not be charged for that product if reasons for the product return were not the fault of the PSR. PSR's shall not receive any commission on product that is provided in exchange for out-of-date, damaged, etc. product.

PBG 00279

#### **Section 10. Bulk Assist.**

When the Company provides additional deliveries to a PSR's account (i.e., Bulk Assist) the PSR shall receive commission on sales generated by such delivery. The Company reserves the right to establish procedures for the use of bulk assist.

#### **Section 11. Other Provisions**

In the event that a Delivery Merchandiser is required to deliver free goods not associated with the sale of any other product he shall be compensated for such product delivery.

- ☐ In the event that an account is removed from a PSR's route that PSR and their Manager will meet to discuss the disadvantage and /or benefits of that accounts removal.

### **ARTICLE IX - FLEXIBLE BENEFITS PLAN**

Effective within sixty (60) days after ratification of this Agreement all current employees and newly retired employees who are members of Teamsters Local 830 will no longer participate in any part of the PBG Flexible Benefits Program. Thereafter these groups will receive health coverage through the Teamsters Local 830 Health & Welfare Fund. During the period from the conversion date through August 31, 2004, EMPLOYER agrees to contribute \$151.81 per active employee who elects benefits per week towards the cost of such coverage. Of this amount \$138.83 per active employee who elects benefits per week represents EMPLOYER's current contribution to "flex benefits" and \$12.98 per member who elects benefits per week represents a fixed adjustment at the time of conversion that will remain part of EMPLOYER's total contribution during the term of this agreement. Such contributions shall be the limit of EMPLOYER'S obligation to its employees in providing benefits through the Teamsters Local 830 Health & Welfare Fund.

Effective September 1, 2004, and each September 1<sup>st</sup> thereafter during the term of this agreement, EMPLOYER agrees to increase the "flex benefits" portion of its weekly contribution to a level equal to the "new" flex benefits contribution it would have made at renewal had employees remained in company's flex benefits program. Notice of this new contribution level will be made by EMPLOYER to the Health & Welfare Fund by July 1<sup>st</sup> of each year.

Current employees will have a choice of electing from two benefit programs under the Teamsters Local 830 Health & Welfare Fund distinguished by a choice of the medical plan component of the program, or opting out of either benefit program offered under the Teamsters Local 830 Health & Welfare Fund. During the year employees will be required to make weekly contributions as determined by the Health & Welfare Fund such amounts representing the difference between the EMPLOYER's contribution and that required to fund the particular program selected. If an employee chooses not to have either benefit program (opts out), they shall receive from the Company the same "opt out" refund as is provided for under the PBG Flexible Benefit program in any given year. In addition, the Company will provide to the Union the "retirement" portion of their per employee cost in order to allow for those "opt out" employees to have the opportunity to sign up for retiree Health and Welfare coverage under the Union plan.

PBG 00280

Effective September 1, 2004 and each September 1<sup>st</sup> thereafter during the term of this agreement, employees will be required to pay the difference between the renewal rate and the amount funded by the EMPLOYER as defined above.

Upon execution of this agreement and effective prior to conversion, all employees will be given the opportunity to choose between the two medical plans, or to decline coverage under either benefit program. On or around August 1, 2004, and each August 1<sup>st</sup> thereafter during the term of this agreement, employees will be given the opportunity to change their medical plan election effective September 1<sup>st</sup> of such year.

EMPLOYER agrees to work with the Health & Welfare Fund in the collection of employee premiums if the Teamsters offers employees the opportunity to buy additional life and LTD coverage. In such a case, EMPLOYER agrees to forward those premium deductions to the Fund Office and allow the insurer the opportunity to conduct regular enrollment sessions (on the employees time) at the EMPLOYER's place of business.

Retirees and their spouses covered under the Teamsters Local 830 Health and Welfare Fund prior to conversion will continue to receive such coverage until the retiree reaches age 65. There will be no cost sharing for this coverage.

Employees retiring on or after the conversion date will be offered a Teamster provided retiree health care plan with cost sharing determined by the Health & Welfare Fund. Such coverage will apply to retiree and spouse and remain in place for the lifetime of the retiree absent failure by the retiree to pay his portion of the cost or an election by the retiree to withdrawal from such coverage.

EMPLOYER shall be obligated to continue contributions for the benefits defined in this Article XXII until the first (1<sup>st</sup>) day of the month following the sixth (6<sup>th</sup>) month of continued absence from work due to illness or injury. In the event an employee does not contribute their portion of the benefit cost during an absence, the Company will work cooperatively with the Union to attempt to recoup those contributions.

In the event the Union decides to convert covered employees back to the PBG Flexible Benefit program, PBG will not incur any liabilities or penalties associated with the movement of covered employees back into its' plan.

In the event PBG discontinues providing its employees benefit coverage, the Union may, by written notice to the Company, reopen the contract for the purpose of negotiating benefit contributions to the Teamsters Local 830 Health and Welfare Fund, and either party may take economic action in support of its' position.

#### **Scholarship Fund**

EMPLOYER shall contribute fifty cents (\$.50) per week for each full time employee who has completed his/her probationary period to the Local 830 Scholarship Fund.

PBG 00281

## ARTICLE X - MANAGEMENT'S RIGHTS

- ☐ The Employer has the sole and exclusive right to manage the affairs of the business, to determine the products, methods and schedules of production, the type of manufacturing equipment, the locations of production and to direct the working forces of the Employer. Such functions shall include (but are not limited to) the exclusive right to maintain discipline of employees, including the right to make reasonable rules and regulations, to promote, demote or transfer employees for proper cause, to determine the amount of work needed, and to layoff because of lack of work.
- ☐ Promotion shall be made from within, provided the employees available have the qualifications and ability to perform the work. In cases of promotions, seniority shall be considered provided the employee has the prerequisite skills and abilities required. The Employer shall be the sole judge of an employee's qualifications and ability.

## ARTICLE XI - DISCHARGES

- ☐ Employer may discharge employees for any reasonable cause. If an employee who has completed his/her probationary period is discharged or permanently laid off, due to economic considerations of the Employer, such as reduction-in-force or abandonment of route, Employer shall give such employee at least one (1) week's notice of its intention to dismiss him or permanently lay him off, or one (1) week's compensation in lieu thereof. In the event an employee desires to leave his/her employment for any reason whatsoever, such employee shall give the Employer at least one (1) week's notice of his/her intention to do so.
- ☐ Any employee who has been discharged by the Employer shall be entitled to a hearing provided that he/she requests the same within forty-eight (48) hours after discharge. At such hearing which shall be held at the Employer's place of business within forty-eight (48) hours after requested, the employee shall have the privilege of being represented by the Business Agent or other duly authorized representative of the Union. If the parties cannot agree upon final disposition of the matter, it may be submitted to arbitration by the Union as provided by Article XIX.
- ☐ Employees are required to make all stops assigned and pick up all empties as necessary. Failure to do so may subject employee to discipline, up to and including discharge.
- ☐ Employer must make the decision whether a route shall go out or not in the case of bad weather. Under no circumstances shall it be left to the discretion of the employees to determine whether work should be performed or not, especially as far as bad weather days are concerned.
- ☐ Any employee who receives disciplinary time off shall receive such time off within one (1) week after the notice of such suspension is given to such employee, except in the case of the suspension of two (2) or more employees in the same department, in which event the disciplinary suspension may be staggered.

PBG 00282



- ☐ In imposing discipline on a current charge, the Employer will not take into account any prior infraction which occurred more than twelve (12) months previously unless mutually agreed to by the parties.
- ☐ In the event a Driver shall suffer revocation of his/her driver's license due to his/her negligence, his/her job and seniority shall be protected for one (1) year. A second revocation of his/her license within a five (5) year period will result in his/her termination. The employee must notify the Employer of an active revocation of license on the next scheduled workday after the revocation.

## **ARTICLE XII - INJURIES AND ILLNESS**

- ☐ When an employee is absent because of illness or injury for a consecutive period of fifty-two (52) weeks or more or the length of his active seniority, whichever is less, he/she shall not be entitled to retain his/her position with the Employer, and at the expiration of such period, the Employer may dismiss such employee, but if the employee returns to work prior to the expiration of such period, and is physically able to carry on his/her duties, he/she shall return to his/her employment at the same rate of pay. Where the injury is incurred by the employee in the line of duty, he/she shall be returned to his/her former position whenever he/she is physically able to carry on his/her duties.
- ☐ The Employer may voluntarily provide compensation to the employee during any such period of absence, but shall not be required to do so.
- ☐ If an extra man is assigned a route in the middle of a work week due to the protracted illness or injury of another employee, the route in question will re-bid in the extra man pool on the following Monday.

## **ARTICLE XIII - POLYGRAPH TEST**

Employer will not require an employee to take a polygraph or lie detector test; however, nothing herein shall prevent an employee from voluntarily taking such a test.

## **ARTICLE XIV - UNIFORMS AND EQUIPMENT**

Where Employer requires any employee in a department to wear a uniform, all employees in that department, except probationary employees, shall be supplied with uniforms. For the purpose of this Article, there shall be two (2) departments: (1) Inside Plant employees and (2) Drivers and other outside employees. The Employer shall have the option to determine whether such uniforms shall be purchased outright or rented. The Employer shall purchase or pay the rental charge. The Employer shall post a notice to all employees two (2) times per year (Spring and Fall) informing employees where and when they may obtain replacement uniforms. The Employer shall have the right to discipline any employee for not being presentable and to discharge such employee for repeated violations.

The Employer shall supply wagons, trucks, or other necessary equipment (Service employees will be required to own and maintain the basic tools necessary for the job). Except in the case of his/her own negligence, an employee shall not be responsible for damage to equipment in

PBG 00283

his/her charge and control, but shall be obliged to furnish witnesses or evidence to fix other responsibility.

## ARTICLE XV - LAYOFF

For the purposes of this agreement, departments will be defined as follows:

Manufacturing	Warehouse Manufacturing Employees
Sales	Delivery Merchandiser Full Service Bulk Extra Men
Transport	
Pre-Sell Representatives	
Service (MEM)	Master Mechanic Mechanic

Any layoff or reduction-in-force will be accomplished by department by Company-wide seniority. In the event of a layoff or reduction in force the least senior person, with the least amount of accumulated department seniority in the affected department will be laid off. In the event of a layoff of any permanent employee, the employee will be given notice of one (1) week in advance of the layoff. Any employee who is laid off may, within forty-eight (48) hours of such lay-off, bump a junior person in another department provided that the employee possesses the necessary skills and ability. In the event such employee is determined by the Employer not to possess the necessary skill/ability to perform the job, the Company will provide affected employee and his/her Union Representative with an explanation as to why the employee was determined to be unqualified.

If the Company decides to eliminate the Transport Department during the life of this Agreement, the Company agrees to meet with the Union in advance to discuss alternative solutions to potentially avoid eliminating the department.

## ARTICLE XVI - RECALL

- ☐ When the Employer's workforce is permanently increased after a layoff, employees on layoff are to return to work according to seniority. Employees will retain recall rights for one (1) year from the date of layoff. In the event of a recall, the laid off employee shall be given notice of the recall by certified letter sent to the address last given to the Employer by the employee. Within ten (10) working days of the mailing of such letter, as indicated on the certified mail receipt, the employee must notify the Employer of his intent to return to work. In the event the employee fails to provide such notice, he shall lose all seniority rights under this Agreement and shall be considered as a voluntary quit.

PBG 00284



- ☐ Selection of vacation by the employee is to be made in the proper order of seniority in the department where he/she is presently employed.
- ☐ Upon request, the Steward will be given an up-to-date seniority list, but not more often than once every three (3) months.
- ☐ Extra Drivers who are assigned to routes during a layoff in the extra man pool shall be entitled to return to the extra man pool when junior extra drivers are recalled.
- ☐ For the purpose of this Article, the departments are Sales, Manufacturing, Service (MEM) and Transport.

## **ARTICLE XVII - JOB VACANCIES**

All job vacancies or new jobs created by the Employer in the bargaining unit will be posted for a period of five (5) work days in the department and throughout areas where employees work. In filling such vacancies, or new jobs, the Employer shall consider the senior interested employee who possesses the necessary skill and ability as determined solely by the Employer.

### **Posting**

Open or new jobs will be posted for five (5) working days in the entire bargaining unit prior to being filled from the outside. The posting will set forth the requirements of the job and the qualifications needed. Temporary or seasonal jobs will not be posted for bidding.

### **Bidding**

Employees wishing to be considered for a job opening must file a written bid form with the employee's immediate supervisor during the five (5) day posting period. Employees on vacation who feel qualified for possible job openings must inform their union steward and supervisor prior to going on vacation if they are to be considered for a bid.

### **Filling Jobs**

Preference in bidding will be given to employees in the Department in which the opening occurs. The job will be awarded based on the employee having pre-requisite qualifications within the Department with further consideration of the employee's seniority. For employees possessing equal skills and ability, the most senior employee shall be awarded the bid. If no employee within the Department qualifies, candidates from other departments who are qualified will be awarded the job based on Company seniority. In the Sales Department only Extra Driver Salesmen will be eligible to select temporary vacancies. A temporary vacancy is defined as any approved absence where a regular full-time employee still retains a right to that bid. All Extra Driver Salesmen will select temporary vacancies by seniority on a weekly basis every Monday except, however, when an Extra Driver Salesmen selects a temporary vacancy he shall remain in that position until the regular full time employee returns or the temporary vacancy is declared permanent and posted for permanent bid.

PBG 00285

### **Testing**

The Company reserves the right to utilize testing and other evaluative measures to determine the relative skills and abilities of employees (i.e. – Service Department, etc.). The testing will be performed in a uniform fashion and the employee's results reviewed with the employee, but in an effort to preserve its confidentiality, no copies will be issued.

### **Trial Periods**

During a trial period, the successful bidder in a classification may be reasonably disqualified from that job if he fails to perform it in a satisfactory manner. If an employee is disqualified, he will return to his previous job/shift. The trial period for an employee new to a classification will be a period up to four (4) weeks on the job in which to demonstrate his/her ability to permanently hold the position.

### **Re-Bidding**

A successful bidder who qualifies for an open position may not bid for any other position for one hundred and eighty (180) calendar days after he is placed in the job for which he bid. If a successful bidder is disqualified from a position after being awarded a bid, he may not bid for any position within the same job classification for one hundred and eighty (180) calendar days after he was placed in the job for which he bid. This person could, however, bid into any other job classification.

The Company reserves the right to allow an employee to bid for a position requiring a CDL license when he does not possess a CDL license at the time of the bid. In such a case, if that employee is subsequently disqualified from the job because he fails to obtain his CDL, the Company will only award a bid to that person for CDL required positions after he receives his CDL license. Once the employee obtains his CDL, he may rebid for any CDL required position (other than the specific job for which he was disqualified) within the 180 days outlined above. Commissioned Drivers may have only two (2) successful bids in one (1) year, and may bid for those two opportunities without being restricted to the above 180 day time period outlined above.

## **ARTICLE XVIII - DISCRIMINATION AND UNION ACTIVITY**

The parties hereto agree not to use any subterfuge, coercion, or intimidation, directly or indirectly, to evade or frustrate compliance with the spirit and terms of this Agreement. No employee shall engage in any Union activities on the Employer's premises or during working hours.

Employer and Union agree that the provisions of this Agreement shall apply to all employees covered by the Agreement without regard to race, creed, color, religion, national origin, sex, age, handicap or veteran status.

PBG 00286

## **ARTICLE XIX - CHECK-OFF OF UNION DUES**

On each weekly payday, Employer shall deduct Union dues, assessments, contributions to the Credit Union and special funds in an amount specified by the employee, in writing, and subscription costs to "DRIVE", on the first payday following the thirtieth (30<sup>th</sup>) day of employment for new employees, initiation fees, from the wages of all members of the Union who voluntarily sign authorizations for such actions which shall be irrevocable for the term of this Agreement or for one (1) year, whichever is less, and which shall be automatically renewable for a like period, and which shall be delivered by Union to Employer, and Employer shall promptly remit the sum of such deductions to the Secretary-Treasurer, or other duly authorized representative of the Union.

The Company agrees to make one voluntary check-off available for employee's to select optional long term disability insurance coverage and / or to participate in the UNION severance program.

The Union agrees to indemnify and hold harmless the Company for any and all actions it takes in complying with this Article.

## **ARTICLE XX - SEVERANCE**

Beginning January 1, 2001, EMPLOYER, on behalf of each regular full-time employee who has completed his/her probationary period, shall make contributions of one dollar (\$1.00) per week for each week worked or for which pay is received pursuant to this Agreement in the UNION'S Severance Fund. Beginning January 1, 2002, the contribution will become two dollars (\$2.00) per week. Beginning January 1, 2003, the contribution will become three dollars (\$3.00) per week. The benefits available to such employees thereunder will be such as are established from time to time by the Trustees of the Severance Fund. Such contributions shall be the limit of the EMPLOYER'S obligation to its employees with respect to severance benefits.

EMPLOYER shall be obligated to continue contributions for the benefits defined in this Article until the first (1<sup>st</sup>) day of the month following the sixth (6<sup>th</sup>) month of continued absence from work due to illness or injury

## **ARTICLE XXI - GRIEVANCE – ARBITRATION**

☐ In the event of a grievance or dispute arising under the terms of this Agreement, the employee shall take the matter up with his/her Supervisor, at which time a Shop Steward may be present, and every reasonable effort shall be made to reach a satisfactory solution. If no solution is reached, a formal grievance will be made with the Shop Steward and employee and another attempt will be made to resolve the issue with the supervisor. If, at that time, no satisfactory solution can be reached, the Business Agent or other duly authorized representative of the Union shall be notified by the employee within two (2) days of the event in issue, and the Business Agent or the duly authorized representative of the Union shall take the matter up with the Employer within five (5) days after the occurrence of the event in issue. If the Business Agent of the Union and the Employer cannot reach a satisfactory agreement, the matter shall be submitted to a disinterested arbitrator. The

PBG 00287

arbitrator shall be selected in accordance with the then prevailing Labor Arbitration Rules of the American Arbitration Association.

- ☐ The decision of the arbitrator shall be final and binding. No arbitrator shall have the power to add to or subtract from the terms of this Agreement. The parties agree to expedite such arbitration.
- ☐ The fee of the impartial arbitrator and the other costs of arbitration shall be borne equally by the Union and the Employer.
- ☐ It is expressly understood and agreed that any request for arbitration of a discharge of an employee must be made in writing by an Official of the Union to the Employer within fifteen (15) days from the date a written notice of the discharge is conveyed by the Employer to an Official of the Union, other than a Shop Steward, or it shall not be subject to arbitration.

In the case of any arbitration of a discharge, the arbitrator may sustain the discharge, or may order the reinstatement of the employee with or without back pay.

## **ARTICLE XXII - STRIKES AND LOCKOUTS**

Under no circumstances shall any strike, stoppage of work, walkout, picketing, boycott, refusal to work or perform any part of duty, or other interference with, or interruption of, the normal conduct of Employer's business be ordered, sanctioned, permitted or enforced by the Union, nor shall any lockout be ordered, sanctioned, permitted or enforced by the Employer, its officials or agents.

## **ARTICLE XXIII - PICKET LINES**

It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action, in the event an employee refuses to cross a lawful picket line at an establishment other than an Employer's establishment providing the picket line has been approved by Teamsters Joint Council 53.

## **ARTICLE XXIV - FUNERAL LEAVE**

In the case of a death in the immediate family (namely; the death of a parent, grandparent, spouse's grandparent, stepchildren, spouse, child, brother or sister, father-in-law or mother-in-law) of a regular full-time employee requiring the employee's absence from his/her regularly scheduled assignments, the employee shall be granted a leave of absence up to three (3) working days. The three (3) working days shall be the two (2) working days immediately following death and the day of the funeral. Under no circumstances shall the application of this clause result in an increase in the employee's basic weekly wages.

## **ARTICLE XXV - JURY DUTY**

In the event an employee is called for jury duty and cannot get excused, he/she will receive his/her regular earnings less any and all amounts received for such service for regular

PBG 00288

scheduled workdays absent on such service for a maximum of ten (10) workdays. Regular earnings are used herein for each day shall be a day's pay as provided for holidays in Article V.

The Company will provide the Union with a side letter that states that the Company will meet with the Union to discuss extending jury duty pay for Employees required to perform jury duty that last longer than ten (10) days.

## **ARTICLE XXVI - MILITARY LEAVE**

Employees entering the military service shall be granted all rights and privileges required under the Law.

## **ARTICLE XXVII - STEWARDS**

The Employer recognizes the right of the Union to designate one (1) Shop Steward and one (1) alternate from each department as described in Article XV. The Employer further recognizes that there will be one (1) Shop Steward assigned for each manufacturing shift.

The authority of Shop Stewards and alternates so designated by the Union shall be limited to, and shall not exceed, the following duties and activities:

- ❑ The investigation and presentation of grievances in accordance with the provisions of the Collective Bargaining Agreement.
- ❑ The collection of dues when authorized by appropriate Local Union action.
- ❑ The transmission of such messages and information which shall originate with, and are authorized by, the Local Union or its officers, provided such messages and information:
  - (a) have been reduced to writing, or
  - (b) if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

Shop Stewards and alternates have no authority to take strike action, or any other action interrupting Employer's business.

The Employer recognizes these limitations upon the authority of Shop Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the Shop Steward has taken unauthorized strike action, slowdown, or work stoppage in violation of this Agreement.

The Employer agrees a Shop Steward, who is qualified to perform the work, is to have superseniority for layoff and rehiring. The Union shall be privileged to appoint alternate Shop Stewards to act in the absence of a Shop Steward, but such alternate Shop Steward shall not have superseniority.

PBG 00289

Provided there is no abuse of this privilege, the Employer will keep a Shop Steward on the clock while he/she is processing a grievance during his/her normal shift hours. A Steward will not remain on the clock while processing grievances after the end of his/her normal shift.

### **ARTICLE XXVIII - LEAVE OF ABSENCE**

The Employer agrees to grant the necessary and reasonable time off, without pay, to one (1) employee serving on the Union Executive Board designated by the Union to attend a labor convention, provided and upon the following conditions:

- ☐ At least ten (10) days' written notice therefore is given by the Union to the Employer setting forth the name of the employee, the nature and place of the convention and the respective dates under which such time off shall commence and end.
- ☐ The duration of such time off shall not exceed one (1) workweek and shall occur only once in any calendar year.
- ☐ The leave does not provide any operational hindrance.

Employees requesting a Leave under the Family Leave Act will have the option to exhaust all eligible paid time off before starting a 12 week leave without pay as provided for under the act.

### **ARTICLE XXIX - TRAINING PROCEDURE**

When the Employer determines a need for developing a pool of additional qualified employees in a job classification, an appropriate number of training bids will be posted. The training opportunities will be awarded to the most senior qualifiable employee(s) within the Department. Those individuals awarded the training bid will be given basic training as a group and then provided with on-the-job training as soon as possible based on seniority. Those who successfully complete the training program will become Qualified Trainees in the job classification. When a job opening occurs in that job classification, those who are Qualified Trainees in that classification will fill the opening based on their seniority.

The Company will set in place a procedure by which any employee who wishes will be afforded the opportunity to train and receive a CDL license. This procedure will be in place no later than September 1, 1995, and the Union agrees to cooperate with the Company to accomplish this within contractual limits. The Company will provide a vehicle for training and an Instructor. The employee will not be paid for the time spent training or the cost of the CDL license.

### **ARTICLE XXX - DRUG/ALCOHOL POLICY**

The manufacture, use, sale, purchase, transfer or possession of any alcoholic beverage or illegal drugs during working hours, including breaks or lunch time whether on or away from Company property, at any time during the course of a working day is cause for disciplinary action up to and including discharge.

Any employee who is convicted of the manufacture or sale of a controlled substance while off duty, may be subject to disciplinary action up to and including discharge.

PBG 00290



An employee must report his conviction for a drug violation occurring in the workplace to the Company within five (5) days of their conviction and the failure to do so may result in disciplinary action up to and including discharge.

Reporting for work while under the influence of alcohol, illegal drugs, or excessive amounts of prescribed drugs which impair performance subjects an employee to immediate discharge.

Employer may require that an employee be tested for the presence of drugs or alcohol only under the following circumstances: (1) When the Employer reasonably suspects that the employee is impaired or under the influence of alcohol or drugs. Provided that prior to an employee being required to submit to testing, the Employer will, if feasible under the circumstances, afford a Steward the opportunity to observe the employee. (2) When the employee is participating in a treatment program of which regular testing is a part.

In the case of Drivers, testing will be required in accordance with any Department of Transportation legislation or other legislative requirement.

An employee is obligated to cooperate in any such medical examination or test including the execution of any forms required by any medical facility or laboratory which is involved, and the execution of an appropriate consent form and authorization of the examination and test results to be released to the Employer. If the employee fails in any way to fulfill such obligation or otherwise to cooperate in any medical examination or test hereunder, he/she shall be subject to immediate discharge for such failure. Any Driver found to have an alcohol concentration of 0.02 or greater but less than 0.04 shall not perform, nor be permitted to perform, any safety-sensitive functions for at least 24 hours, including driving a commercial motor vehicle. Any Driver found to have an alcohol concentration of 0.02 or greater but less than 0.04 will be subject to regular drug and/or alcohol testing for a period of twelve (12) months, similar to those employees participating in a drug and/or alcohol treatment program.

The Employer may conduct unannounced searches for illegal drugs or alcohol on Employer's property. Such searches are to be confined to Company property, but under no circumstances may the search include the employee's body or uniform being worn or the employee's personal motor vehicle.

As a condition of employment, all applicants must undergo a blood or urine test for controlled substances. No applicant who tests positive and who has no alternate acceptable medical explanation will be hired.

Any employee tested hereunder shall be given the opportunity to have the blood or urine sample tested simultaneously by an independent certified laboratory. If the test by the independent laboratory is positive, the cost for it will be paid by the employee. If the result is negative, the cost will be paid by the Employer.

This Policy will be strictly enforced. If any employee is having an alcohol or drug-related problem and desires professional help, please contact your supervisor, the PBG Employee Relations Office, or Teamsters Local 830 – we will do all we can to help you.

Any employee hired on or before December 31, 2003 testing positive as a result of a government regulation or legislation shall be given the opportunity to submit to a certified

PBG 00291

rehabilitation program in lieu of discipline, unless it is determined that such employee performed work while under the influence of drugs or alcohol. This, however, shall only apply to the first failure of a test. Any employee hired on or after January 1, 2004 testing positive as a result of a government regulation or legislation shall have their employment terminated without the opportunity to attend a certified rehabilitation program.

#### **ARTICLE XXXI - SEASONAL EMPLOYEES**

Provided there are no employees laid off in a department, the Employer may hire seasonal employees in that department during the period of April 1, through September 10. Seasonal employees shall not receive benefits nor shall they accrue seniority, however they must become members of the bargaining unit. Pay for seasonal employees shall be 70% of the rate, (or base pay and commission) for the classification in which they work. This article shall not preclude the company from using casual employees to perform work that has not been exclusively performed by members of the bargaining unit or to cover manpower shortages (e.g. Any Injury, Government Mandated Absences, Approved absence for family emergency, etc.) It is not the intent of the Company to eliminate or restrict available overtime therefore the Company will attempt to exhaust all other reasonable means of covering these manpower shortages with bargaining unit employees before resorting to outside sources. The Company also agrees to limit the total number of casual employees used outside of the seasonal periods to no more than 5% of the total workforce.

#### **ARTICLE XXXII - MERCHANDISING**

It is understood and agreed that in all accounts a Pre-Sell Representative shall devote his working time to selling, advertising and merchandising the products of the Company and shall give regular and constant service as designated by the Company, to all customers on his route. Pre-Sell Representative shall actively prospect for and solicit new customers and all Company policies regarding sales transactions and records will be strictly adhered to.

PBG 00292



### **ARTICLE XXXIII - TERMINATION**

The terms and conditions of this Agreement shall, except as herein otherwise expressly provided, become effective the first (1<sup>st</sup>) day of January, 2004 and shall continue in full force and effect up to and including the thirty-first (31<sup>st</sup>) day of December, 2007 and thereafter from year to year unless and until either party shall give to the other notice by registered mail atleast two (2) months prior to the expiration date in 2007 or to the expiration date in any year thereafter, of an intention to terminate, cancel or modify the Agreement.

**IN WITNESS WHEREOF**, this Agreement has been executed by the parties hereto, this 1<sup>st</sup> day of January, 2004.

**FOR THE COMPANY:**

**The Pepsi Bottling Group, Inc.**

**FOR THE UNION:**

**Teamsters Local No. 830**

BY: \_\_\_\_\_  
Michael P. Gilligan  
Vice President, Labor Relations

BY: \_\_\_\_\_  
Daniel H. Grace  
Secretary – Treasurer

## APPENDIX A. Wage Schedule

The hourly rate for Bulk Drivers who were employed in the Sales Department on January 1, 1995 shall follow Bulk Schedule (A). The hourly rate for Bulk Drivers who are new to the Sales Department after January 1, 1995 shall follow Bulk Schedule (B).

### Section 1. Wages.

	Effective			
	1/1/04	1/1/05	1/1/06	1/1/07
Bulk Schedule A	\$21.85	\$22.30	\$22.75	\$23.15
Bulk Schedule B	\$17.95	\$18.40	\$18.85	\$19.25
Extra Men	\$17.23	\$17.68	\$18.13	\$18.53
<b>HOURLY</b>				
Manufacturing	\$16.35	\$16.80	\$17.25	\$17.65
<b>Distribution</b>				
Transport	\$16.95	\$17.40	\$17.85	\$18.25
Satellite Warehouse	\$16.35	\$16.80	\$17.25	\$17.65
<b>Service</b>				
Mechanic A	\$18.70	\$19.15	\$19.60	\$20.00
Mechanic B	\$17.70	\$18.15	\$18.60	\$19.00
Mechanic C	\$16.95	\$17.40	\$17.85	\$18.25
Flex Week Premium	\$.35	\$.35	\$.35	\$.35

The night shift premium is thirty-five cents (\$.35). Night shift premium will be paid to all hourly paid employees whose work shift starts anytime between 12:00 p.m. (noon) and 4:00 a.m.

- ☐ On-Call Vending Mechanics will be compensated at twenty dollars (\$20.00) per day. In the event an On-Call Vending Mechanic is called into service, he shall be guaranteed a minimum of two (2) hours of pay.

### Section 2. Step Rates:

All newly-hired employees shall be paid according to the following Step Rate schedule:

Period of Employment	Rate of Pay
0 – 12 Months	80% of Applicable Rate
13 – 24 Months	90% of Applicable Rate
25 Months & Thereafter	100% of Applicable Rate

The Company reserves the right to waive Step Rates at any time. Step Rates shall not apply to commissioned Retail CRs.

PBG 00294

**Section 3. Short Term Disability**

The maximum payment for any employee out of Short Term Disability will be three hundred fifty dollars (\$350.00) per week.

**Section 4.**

In the event a change in applicable law causes any formula or method of sales compensation in this Agreement to be unlawful, then the Company may, by written notice to the Union, reopen the Agreement for the purpose of renegotiating the compensation of the affected classifications, and either party may take economic action in support of its position.

PBG 00295

## APPENDIX B. Memorandum of Agreement - Regarding Tool Allowance

Effective with the week of March 18, 1991, the undersigned agree all employees within the Service Department will be issued all tools required to complete their regular and necessary work assignments. It is understood this tool purchase is on a one-time basis only. Should an issued tool become lost, stolen or rendered unusable during the performance of their regular work assignments, it will be replaced by the Company.

The below all inclusive listing of tools will form the basis for the extent and type of tools purchased.

### TOOLS FOR SERVICE MECHANICS

- ☐ Set of open or closed wrenches 3/8" to 7/8"
- ☐ Set of nut drivers 1/4", 5/16", 11/32", 3/8", 7/16", 1/2"
- ☐ Oetiker crimpers
- ☐ Pair of pinch-offs vise-grip
- ☐ (2) Screw drivers – slotted and Phillip's
- ☐ 10" adjustable wrench
- ☐ Vise-grip locking wrench
- ☐ Crescent multi-pliers
- ☐ Alligator pliers (about the same tool)
- ☐ Hose
- ☐ Needle-nose pliers
- ☐ Slip joint plier
- ☐ 1/4" and 3/8" combination drive socket set
- ☐ Diagonal cutter or dikes
- ☐ Utility Knife
- ☐ Hammer
- ☐ Hex Key Set
- ☐ Torpedo Level
- ☐ File Flat
- ☐ Tool Box or Utility Pouch
- ☐ Flashlight
- ☐ Thermometer
- ☐ Wire Brush

**\$100.00 Approximate Cost Per Employee**

PBG 00296

**APPENDIX C. The Pepsi Bottling Group Hourly Pension Plan**

**EFFECTIVE JANUARY 1, 1995**  
**West Chester, PA / Wilmington, DE**

<b>Effective Date</b>	January 1, 1995
<b>Eligibility</b>	All regular, full-time employees covered by this Labor Agreement.
<b>Participation</b>	Eligible employees become a participant on the date they: <ul style="list-style-type: none"> <li><input type="checkbox"/> Are Age 21 or older and</li> <li><input type="checkbox"/> Have completed twelve (12) months of employment in which you are credited with 1,000 or more hours of employment. This twelve (12) month eligibility period will be measured from date of hire, or any subsequent January 1.</li> </ul>
<b>Normal Retirement</b>	Age 65
<b>Early Retirement</b>	Age 55 and 10 years vesting service; 4% reduction factor per year prior to age 62.
<b>Disability Retirement</b>	10 years vesting service/6 month commencement from date of disability approved for social security disability award payable at age 65 (accrued benefit as of date of disability).
<b>Deferred Vested</b>	100% vested in pension plan, but have not met age and service requirements for early retirement. Benefit payable at age 65, or a reduced amount beginning on the first day of any month after you attain age 55. Reduction is the actuarial equivalent of the benefit payable at age 65, not the early retirement reduction factor.
<b>Qualified Pre-Retirement Survivor Annuity</b>	Automatic (no charge) – Actives (Vested) Elected (reduction charge) – Deferred Vested
<b>Vested Service</b>	Years of service used to determine eligibility for benefits. Vesting date is date of hire.
<b>Vesting Schedule</b>	100% vested after 5 years
<b>Credited Service</b>	Years of service used to determine the amount of benefits at retirement or other termination of employment.
<b>Benefit Formula</b>	Dollar Multiplier x Years of Credited Service = Monthly Benefit; reduced by the Early Retirement Discount Factor (if any).
<b>Dollar Multiplier:</b>	Effective January 1, 2004: \$54.00

PBG 00297

## **APPENDIX D. Intent of Classification Combination**

### **Manufacturing Classification**

1. **Can Team:** Filler (High Cone, Tray, 24-Pack), Depal, Forklift, Extra Person
2. **2-Liter Team:** Filler, Labeler, Shell Thrower, Palletizer, Forklift, Extra Person
3. **Syrup Team:** Pre/Post Mix

- ☐ The intent of this proposal is twofold. First, we would like each employee to become familiar with all jobs within his/her Team. Second, the existing employees will not be disqualified or otherwise disciplined for failure to reach acceptable performance levels in all functions within a Team, provided there is a good faith effort.
- ☐ Each Team will be composed of two (2) regular shifts and one (1) additional shift during peak periods.
- ☐ No premium jobs.
- ☐ Each employee bids the Team and the shift they desire.
- ☐ The Company will decide with the Team which job each member of that Team will be performing. It behooves the Team to place individuals in jobs they feel most comfortable in and show the greatest aptitude.
- ☐ Each Team Member will be placed in his or her job according to seniority and classifications.
- ☐ The extra person on each Team will be used to rotate employees through the different jobs on his/her Team in order for those employees to receive the necessary training.

PBG 00298

### APPENDIX E. AOM Pre-sell System

On or around April 1, 2004, the Company will transition to an AOM (All Other Market) Pre-Sell selling and delivery system. The conversion to the Pre-Sell system will involve classifying selling agents as either Pre-Sell Representatives (PSRs) and/or Account Managers selling in products and programs to customers on a pre-sell or Tel-sell basis. The sale and/or ordering of product in the Pre-Sell system shall be performed by individuals covered by this Agreement (PSRs), as well as those not covered by this Agreement (Account Managers). Seventy-five percent (75%) of the selling jobs in the Pre-Sell system shall be designated as Pre-Sell Representatives, and twenty-five percent (25%) of the selling jobs shall be designated as Account Managers. The following chart will determine the number of Account Managers:

If Total # of Sales Personnel is:	# of Account Managers is:
18 – 21	5
22 – 25	6
26 – 29	7

As part of the transition to pre-sell, the Company will bid all sales delivery positions prior to April 1, 2004, coincident with the change to the pre-sell system.

Account Managers and PSR's will be responsible for selling in products and programs to customers on a Pre-sell or Tel-sell basis, for product delivery by bargaining unit employees. Account Managers and PSR's shall be involved in merchandising activity, placing point of purchase materials, selling in resets, and other activity designed to increase in-store sales. Account Managers will also manage in-store execution and performance by bargaining unit employees; Account Managers performing merchandising activity or other Pre-Sell bargaining unit work will not be considered a violation of the Collective Bargaining Agreement. Account Managers shall not be part of the bargaining unit and shall not be covered by any provisions of this Agreement.

The Company shall have the unilateral right to:

- ☐ Select all Pre-Sell Representatives (regardless of seniority)
- ☐ Remove any PSR from position who is not meeting the standards for such position that are set forth by the Company
- ☐ Determine, add, change, or eliminate routes and/or work schedules
- ☐ Assign employees to selling routes
- ☐ Cover routes with non-union personnel and managers as the business requires

The Company will provide the opportunity for all current sales employees to interview for the Pre-sell Representative positions.

**Route Cuts for PSR's:** The Company reserves the right to unilaterally cut any account from any route and reassign it to any other route or delivery system covered by this Agreement.

PBG 00299

The Company may also add any account to any route. In the event that a PSR route is cut more than 10% in volume (based on prior year's volume) he shall be eligible for the following route cut protection:

The average weekly earnings from base pay and/or commission for the thirteen (13) weeks following the route cut shall be no less than the average weekly earnings from base pay and/or commission for the thirteen (13) weeks immediately preceding the route cut. Any payments due the PSR or AR shall be made at the end of the thirteen (13) week protection period.

No route cut protection payment shall be made to any employee as a result of route changes from a total facility reroute / rebid, nor upon the request of the PSR or AR to have an account removed from his route, nor if the Company has been instructed by a customer to not have the PSR service its account.

In the event that one or more routes are realigned such that an account is added to a route simultaneously with an account being deleted from that route, the route cut shall be based on the *net effect* of such addition and deletion.

Nothing in this section shall be construed as a limitation on the Company's ability to determine the size and/or frequency of route cuts.

**Movement into the PSR Classification:**

PSR's shall be part of a seniority list made up of only PSR's.

PSR's who came from a bargaining unit position prior to going into the PSR role shall maintain their departmental seniority from their prior department for twelve (12) months. In the event that a Pre-Sell Representative self-selects out of, or is released from his PSR position by the Company due to work performance within the first twelve (12) months of his assignment to such position, he shall have the right to exercise his departmental seniority from his previous position to bid on any open position within his previous department. If no such position is available, the employee may use his departmental seniority from his previous position to bump the most junior person in the department he was in prior to becoming a PSR, assuming he is qualified to perform that role, or he may use his company seniority to bid into any open position for which he is qualified. The junior-most person shall then be laid off, unless there is an open position for which he possesses the necessary qualifications.

A PSR may bid on any open position for which he is qualified after twelve (12) months in the PSR role utilizing his company seniority and qualifications.

In all cases where "former classification" is referenced, if his prior position was Customer Representative, Fountain Driver, or Extramen, the Delivery Merchandiser classification will be considered the equivalent position.

**Delivery Merchandiser:** The Company will establish a new job classification called "Delivery Merchandiser", and will eliminate the Dispatchable Bay Driver and Customer Representative job classifications effective on the move to AOM Pre-sell. This new position will be included on the "sales delivery" seniority list. Primary responsibility for the delivery of products will be done by Delivery Merchandiser's (except for emergencies and unforeseen circumstances when no union

PBG 00300



employee is available to deliver the product). In most cases this will be the Delivery Merchandiser who operates primarily with pre-sell customers. Delivery Merchandisers will also be responsible for merchandising products and other activities designed to increase in-store sales, similar to the merchandising responsibilities of CR's under the Conventional system. This includes such work as rotating product, stocking shelves and coolers, placement of P.O.P., etc. Delivery Merchandisers shall not be required to load or unload their trucks in the facility to prepare for their day's delivery.

All employees who are Customer Representatives or Dispatchable Bay Drivers for one or more years as of January 1, 2004, and who remain Customer Representatives until the implementation of Pre-Sell, and who become Delivery Merchandisers upon implementation, shall, at the time of implementation only, have the option of being paid the Delivery Merchandiser hourly rate of pay or base plus commission as outlined in this Article. Any other employee working in another classification, or any Customer Representative or Dispatchable Bay Driver who does not meet the above criteria who bids into the Delivery Merchandiser position, and all new hires who become a Delivery Merchandiser shall be paid base plus commission as outlined in this Article. Any hourly paid Delivery Merchandiser may at any time choose to move to the base plus commission pay structure. If an hourly paid Delivery Merchandiser elects to move from hourly pay to base plus commission, they will not have an option to return to hourly pay as a Delivery Merchandiser.

Delivery Merchandisers who are compensated by receiving a base pay and commission shall be eligible for overtime after forty (40) hours of work per week. Such overtime shall be paid using the Variable Rate Overtime (VROT) pay methodology as described in negotiations. Hourly paid Delivery Merchandisers shall be paid overtime as defined in Article IV of this Agreement

Vacation, personal, sick, and holiday pay for Delivery Merchandisers (who are paid base and commission) and PSR's shall be calculated utilizing the current provisions of this Agreement that cover commission employees. Any employee who becomes an hourly paid Delivery Merchandiser under the pre-sell system, and who came into the Delivery Merchandiser role directly from a Conventional CR position on the transition to Pre-Sell, shall also receive vacation, personal, sick, and holiday pay utilizing the current provisions of this Agreement that cover commission employees.

The following pay provisions shall be in effect for Delivery Merchandisers under the base / commission / VROT pay program:

1. If an employee completes his normal workweek as a Delivery Merchandiser, and then works a fifth (for 4 x 10 employees), sixth or seventh day in another hourly paid job classification, he shall be paid base / commission and VROT for all hours worked as a Delivery Merchandiser that week, plus his hourly rate of pay at the applicable overtime rate for all hours worked in the hourly job classification.
2. If an employee does not complete a full workweek as a Delivery Merchandiser, but instead works some days as a Delivery Merchandiser, and some days in an hourly rated position, he shall be paid the higher of (1) his hourly rate of pay for all hours worked in the workweek, or (2) the amount of pay calculated using VROT based on all earnings (base + commission + hourly pay) and all hours worked during the workweek in both classifications.

PBG 00301

3. In the event an employee works seven consecutive days as a Delivery Merchandiser, the Company will calculate the employees pay using the VROT pay system, and will add two times (2x) the number of hours worked on the seventh day of work into the weekly pay calculation.

In all cases, there shall be no pyramiding of overtime in calculating an employees compensation.

The Company will have the final authority to set accounts in order to best meet customer demands and operate the business in the most efficient manner possible. The Company will distribute the work by considering such things as geographic proximity of accounts, customer demands, and business needs. The Company will create geographic "zones" to focus customer accounts in order to provide for efficient delivery and customer continuity.

Under the AOM Pre-sell Delivery system, Delivery Merchandisers will be dispatched by the Company on a daily basis. Delivery Merchandisers shall deliver both bottle/can and fountain products and shall be assigned delivery of all products by the Company. There shall be no right to bid on delivery schedules, except as provided for in this section.

Upon implementation of Pre-sell, the Company agrees to allow Delivery Merchandisers to utilize their seniority to express a preference for work assignments within Company designated zones and delivery schedule starting times. The Company will honor such preferences only to the extent that is reasonable on any given day. After the initial implementation of Pre-sell, employees shall be able to select a new zone upon the opening of a Delivery Merchandiser position, which they may bid on utilizing their departmental seniority and qualifications.

On a daily basis Delivery Merchandisers shall have the opportunity to bid on available delivery schedules within their zone and their start time. Such bidding must be completed within five (5) minutes after the start time of their shift, or the Company shall have the right to assign employees to their delivery schedule for the day. If not enough work is available to accommodate all Delivery Merchandisers who have bid into a zone, the remaining Delivery Merchandiser(s) shall bid on, or be assigned available delivery schedules in other zones prior to those delivery schedules being offered to the Utility Pool. If there are no other delivery schedules available in other Zones, extra Delivery Merchandisers will drop to the Utility Pool for the day.

"Hot Shot" reloads will be provided on a "First in/First out" basis. If more than one qualified employee is in the facility and immediately available to do the work, the "hot shot" reload will be offered by seniority from among those available employees. If no one volunteers for the "hot shot" reload, the junior qualified employee will make the run.

Start times for the Delivery Merchandisers will be at various designated times between 5:00 a.m. and 8:00 a.m. These times may change based on customer and business needs. If the Company requires start time to change, the Company and the Union will discuss whether a rebid is necessary. The Company agrees to consider alternative start times at an employee's request.

PBG 00302

When there is overtime for Delivery Merchandisers on scheduled days off, the Company will institute a "Volunteer List." Overtime will be offered by seniority within the department and classification to qualified employees on the volunteer list. If no employee volunteers, the Company will assign the junior qualified employee within the department and classification, to include Utility Drivers.

The Company will manage all work hours in accordance with the Department of Transportation regulations. It is the Company's and the employee's obligation to coordinate their DOT hours in relation to additional work available.

#### **Transition Assistance to Pre-sell**

The Company agrees to provide the following transition assistance to current CRs who, at the time of transition to pre-sell, have been CR's for a minimum of twelve (12) months, and during the transition to Pre-sell become Delivery Merchandisers, and remain Delivery Merchandisers under the new system for at least six (6) months . If an employee transfers out of the Delivery Merchandiser position prior to completing six (6) months, he/she will not be eligible for transition assistance.

Transition assistance will be paid at 75% of the difference in pay (as defined below) from the pre-sell implementation date {approximately April 1, 2004} to October 1, 2004 assuming satisfactory performance, compared to earnings as a CR in the same time period in the previous year. Payment will be made as soon as reasonably possible after the six (6) month period. Such payment will be considered wages, and therefore all applicable taxes will be deducted from the payment. This pay protection excludes Sharepower earnings, any unpaid time off, workers compensation, and any earnings generated from work done in any other job classification outside the CR and Delivery Merchandiser classifications. Absences of more than one week, and comparisons which include any of the above exclusions will be pro-rated for the time they actually worked.

Example: Employee earned \$20,000 from April 1, 2004 to October 1, 2004. During the same timeframe in 2003 (April 1, 2003 to October 1, 2003), the employee made \$22,000. The company would provide transition assistance of \$1,500 less applicable taxes.

PBG 00303

**LETTER OF UNDERSTANDING #1.  
Seniority for Selecting Vacations**

The Company will honor the one time recommendation by the Union on how employees will pick their vacation (either by Department Seniority or by Company Seniority)

PBG 00304

**LETTER OF UNDERSTANDING #2.**  
**Selecting Vacations**

Vacation schedule will be posted by the end of November. Each employee, in order of seniority (department or Company to be determined by letter of understanding) will have three (3) days to select all of his/her vacation. If this employee does not select vacation weeks within this three day period they will go to the bottom of the list, and the next senior employee will select their vacation weeks. Once an employee has selected his/her weeks, (which should be completed by the end of December of the previous year) no other employee can displace that selection. Employees will be required to use their vacation as selected. Employees will only be allowed to turn down their vacation on case by case situation as mutually agreed upon by Management and the employee. If an employee's vacation week is switched, their old vacation week will be posted for bid. Employees trading vacation weeks will be disciplined.

PBG 00305

**LETTER OF UNDERSTANDING #3.  
CR Involvement in Pricing, Feedback on Net Revenue**

It is the intent of Wilmington/West Chester management to include a representative selection of conventional commissioned Customer Representatives in the preliminary process of developing pricing in each Trimester of the year. This could include the following: requests for information on competitive pricing, feedback on various levels of pricing under consideration and feedback and ideas on various promotional programs.

In addition, as part of these Trimester pricing discussions, we'll also ask for CR input on the status of the Net Revenue Compensation system.

PBG 00306

**LETTER OF UNDERSTANDING #4.  
Handling of Payroll Mistakes**

In the event there is a mistake of greater than one hundred dollars (\$100.00) in an employee's regular weekly paycheck, the company will make every reasonable effort to correct that mistake and mail the correct compensation amount to the employee within 48 hours of being notified of such mistake, unless the company becomes aware of the mistake on a Friday after 10:00 a.m. In the event the company is notified on a Friday after 10:00 a.m., the company will make every reasonable effort to have the corrected compensation amount mailed to the employee for delivery on Tuesday of the next workweek .

Any employee whose paycheck is incorrect should notify their immediate supervisor as soon as possible in order to correct the mistake. If the immediate supervisor is unavailable the employee should notify the local Human Resource Manager to correct the mistake.

PBG 00307

### **LETTER OF UNDERSTANDING #5**

At the request of the union, the parties agree to schedule a meeting with two members of Local 830 to discuss issues pertaining to Flexible Benefits. This meeting will be conducted prior to a final decision on the subsequent year's benefits design. The Company will respond to reasonable requests for information on the benefits plan and will provide the employee representatives the opportunity to provide input and to identify their concerns and needs.

**PBG 00308**



### **MEMORANDUM OF AGREEMENT #1**

Effective January 1, 2004, the Company agrees to modify its current Attendance Policy to include the following changes:

- ☐ The two (2) "oldest" occurrences will be dropped from each employees "point bank."
- ☐ Each calendar year each employee will be allowed to use six (6) of their eight (8) sick/personal days as sick days that don't count as an occurrence under the Attendance Policy.
- ☐ The new progression of discipline associated with the Attendance Policy will be as follows:
  - ☐ Two (2) occurrences is considered a Verbal Warning
  - ☐ Four (4) occurrences is considered a Written Warning
  - ☐ Six (6) occurrences is considered a Suspension
  - ☐ Seven (7) occurrences and an employee will be terminated.

Nothing herein restricts the Company's right to establish reasonable Attendance policies and procedures, nor to change such policies and procedures from time to time at its discretion.

PBG 00309